

Children of the revolution

Up to 50 percent of the world's workforce will retire over the next decade, but who's prepared? Judi Bachmann and Len Ashby investigate

The post-war baby boom bulge has earned its grey hair and is now nearing retirement. Governments, of all stripes, are adopting changes to their legislation to raise their retirement age, ostensibly to reduce the loss of skills and knowledge in the workforce, but in reality to defer their pension liability.

Few employers appear to recognise the imminent loss of knowledge they are facing from this mass-migration to the golf courses.

Governments worldwide are estimated to face the retirement of some 25 to 50 percent of their work forces over the next decade. Many have established task forces to address the various issues. The Commonwealth government is looking at more flexible work arrangements to encourage senior mandarins to stay on beyond their earliest retirement date.

In spite of the predictions, identifying and retaining the knowledge to maintain business as usual continuity through succession planning are only just starting to get traction.

It seems that it takes a significant loss to bring the message home. Peoria, in the US, just had their epiphany in May. Jim Finley was the man they went to when no one else in the city's Public Works department could answer a question. He fielded some 40 calls a day based on knowledge accumulated over 32 years. No more. By September, some fifty of Jim's colleagues will have joined the exodus. Fortunately the city's early retirement plan does not include police and fire fighters.

NASA had a little more foresight and began a process to preserve its institutional memory several years ago. They have instituted biannual conferences where up and comers can listen to, and learn from, the war stories of their senior colleagues. They also encourage stories, lessons learned and anecdotes on their internal website and in the Ask magazine - designed specifically to encourage inter-

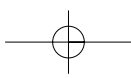
generational learning.

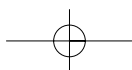
Australian governments and businesses are not immune. An individual known as "Mr. Bridge" because of his vast knowledge of transportation infrastructure (not his desire to play cards) is nearing retirement and few younger engineers have been exposed to knowledge transfer. Will we be trying to lure him back from retirement on the Gold Coast when a crisis strikes, as rumour has it an expert in sewer systems was, when no-one knew how to turn the valves off?

Reports abound with the stories of retrenched bureaucrats being brought back as expensive consultants

Businesses, especially the large, well-established, blue chips, are subject to similar demographics. Ironically, many of these have suffered the problem of business value retention before, during merger and acquisition phases over the last decade or two. Eager to capture the synergy of the combined enterprises, they rapidly cut staff without realising that the unique value of the business units walked with the severance package.

Few appear to have learned the lesson, however. 'Long-term' employees who are left often complain that they cannot get their own work done because they are trying to solve someone else's issues. New employees often feel they are working in a vacuum.





It doesn't require a
technology solution or a
major knowledge
management investment

Re-acquiring the skills to continue business operations - for whatever reason they left - is expensive, but achievable. Re-acquiring the unique knowledge, about the business, the enterprise and its customers and regaining the unique competitive edge is much more difficult, if not impossible.

Re-learning old mistakes is not progress

Optimists declare that bringing in fresh ideas enables business to re-invent itself. Of course, every business must constantly re-invent, re-energise and transform itself to stay ahead of a changing customer base and marketplace demands. Forgetting where the business came from, and how it got there, however, risks throwing the baby out with the bathwater. Re-learning old mistakes is not progress. It can be both expensive and fatal, if not to the organisation, at least to the CEO on whose watch the problem recurs.

In government, new ministers rely on the cumulative wisdom of the mandarins to avoid the mistakes of their opposition predecessors. With the increasing re-organisation of government departments, and the resultant retrenchments, this corporate history is fast disappearing. Auditor General reports abound with the

stories of retrenched bureaucrats being brought back as expensive consultants. As a short-term expedient even that is a good idea.

The real solution, however, is for business and government to work to understand the knowledge that key people possess, then capture it for posterity. This is where knowledge management should begin - with an audit of their knowledge, skills, and expertise. Retrenchment may still be necessary or desirable, but it should be based on the full understanding of what's walking out the door.

Best of all, it doesn't require a technology solution

Professional services organisations have been attempting knowledge audits to optimise their value proposition to their clients for some time, often across global organisations. Whilst they have achieved mixed success, their problems are somewhat different from, and generally more complex than, those of most businesses and government agencies.

All businesses today are knowledge based, whether they produce advertising copy or automobiles, life insurance products or legislation, they all rely on the specific in-sight and experience of key employees to get it done right. Determining the key,

unique, intellectual property of critical knowledge workers, while not easy, is possible in a disciplined and trainable manner. Best of all, it doesn't require a technology solution or a major knowledge management investment. It does, however, require some senior management recognition that people really are the key resources of today's knowledge intensive businesses.

Those that have the knowledge must be recognised and encouraged to share it. Those destined to be tomorrow's experts must be provided with the opportunity to learn it and to apply it in a mentored climate. And they must be supported by appropriate corporate knowledge repositories which outlive them and their predecessors.

Long-term employees will take their deserved retirement, as early as financially possible. Business changes will continue to require retrenchment. Living with the reduction in head-count is probably inevitable.

Losing critical corporate knowledge should not be!

Judi Bachmann and Len Ashby
have a KM/IT Strategic Consulting
practice **Ashby Bachmann**.

Contact:

www.ashbybachmann.com.au

