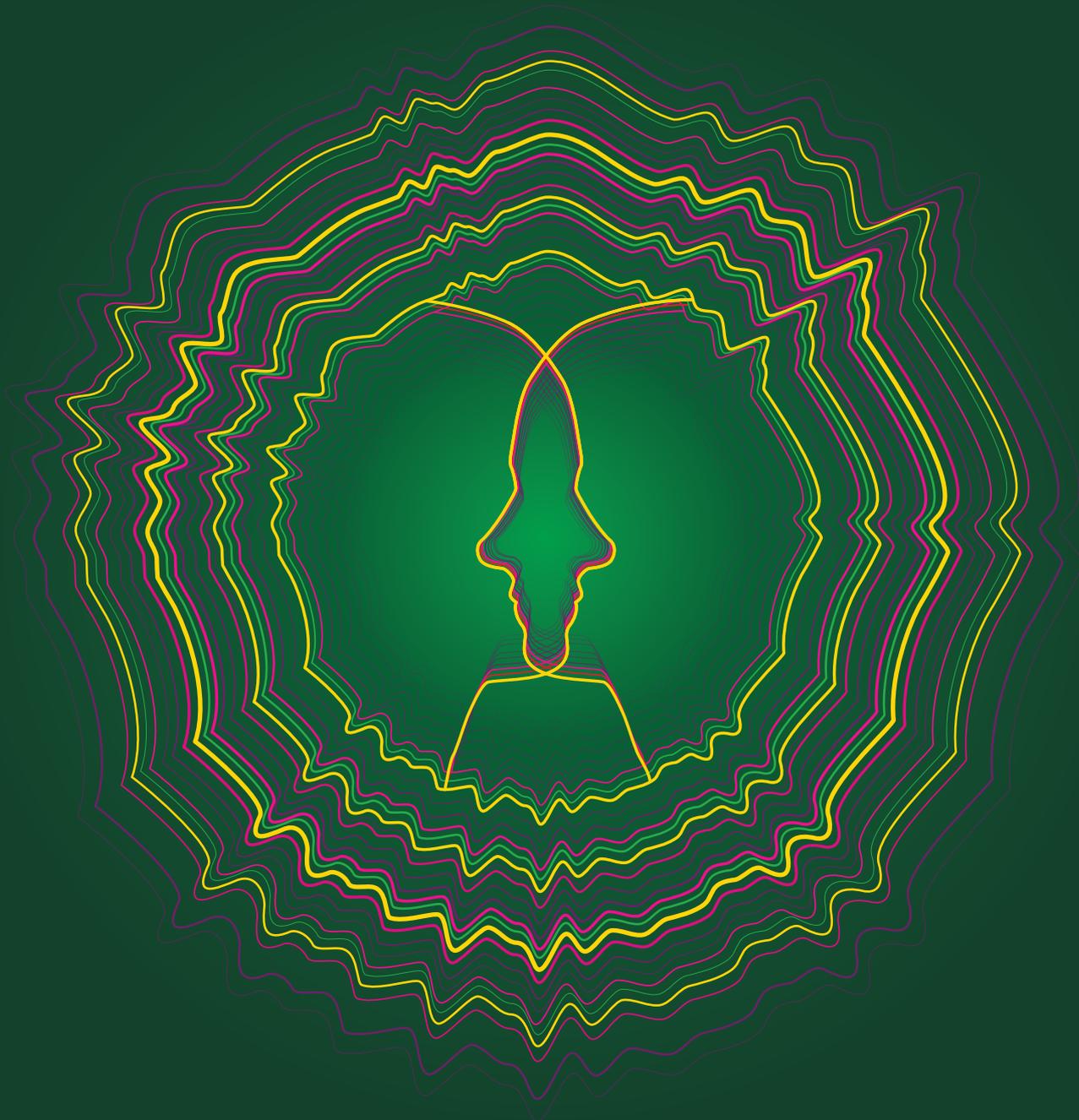


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Insights



# The new knowledge management

The human factor activates the collective intelligence

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# Introduction

The latest edition of Deloitte’s Global Human Capital Trends study ranks ‘knowledge management’ as one of the top three issues influencing company success, yet only 9 per cent of surveyed organisations feel ready to address it.<sup>1</sup>

**T**HE TRANSFER OF knowledge has become even more essential as COVID-19 has scattered staff among homes and different work sites. But traditional views of how to handle knowledge no longer apply. Some business leaders have not yet recognised that. They have a false sense of security, believing that technology will enable knowledge to be transferred, with platforms and tools helping dispersed teams stay connected.

But Deloitte’s recent research has shown that technology alone will not be enough to harvest the value of knowledge management. And workforces have made it clear that they expect more from their employers. For future success, organisations should shift their focus from knowledge capture to knowledge creation and transfer, and champion a knowledge-sharing culture as vehemently as they champion tools and platforms.

According to the results of the latest Deloitte European Workforce Survey, companies that prioritise knowledge transfer are perceived by employees as more competitive with respect to revenue growth and client satisfaction. Workers see them as more innovative and more attractive for employment.<sup>2</sup> The time is ripe for business leaders to create a fluid flow of knowledge in their organisations.

They should consider the following questions. How can their employees gain knowledge more rapidly? How can they be quicker to build new capabilities for increasingly complex problems? And how can the organisation's collective intelligence be used?

## Connecting the workforce with the power of knowledge

In Deloitte's introductory article to the European Workforce Survey, we described how the post-COVID-19 workplace will retain the hybrid on-site and remote quality we are seeing now. We forecast that the future of work will require new ways of collaborating and knowledge sharing,<sup>3</sup> a view echoed by the 68 per cent of European survey respondents who see facilitating knowledge transfer as a major priority in their organisations.

A similar view was voiced by business leaders in our Global Human Capital Trends study: 75 per cent of surveyed organisations said that creating and preserving knowledge across evolving workforces is important to their success over the next 12 to 18 months.<sup>4</sup>

To help employees share knowledge and information in fluid ways, the implementation of technology alone is not enough. Strategies are needed to enable and motivate employees in this exchange. More than 60 per cent of our respondents said that post-pandemic the "capacity to adapt" will be the most important skill needed to thrive in the labour market, with "teamwork and collaboration" coming second (43 per cent).

These numbers reinforce the need for organisations and teams to rethink the way they share data and make knowledge available. In some cases, this calls for a new working environment that will supercharge the value of knowledge and turn it into a key enabler.

**According to the results of our European Workforce Survey, companies that prioritise knowledge transfer are perceived by employees as more competitive with respect to revenue growth and client satisfaction.**

# The value and limits of technology

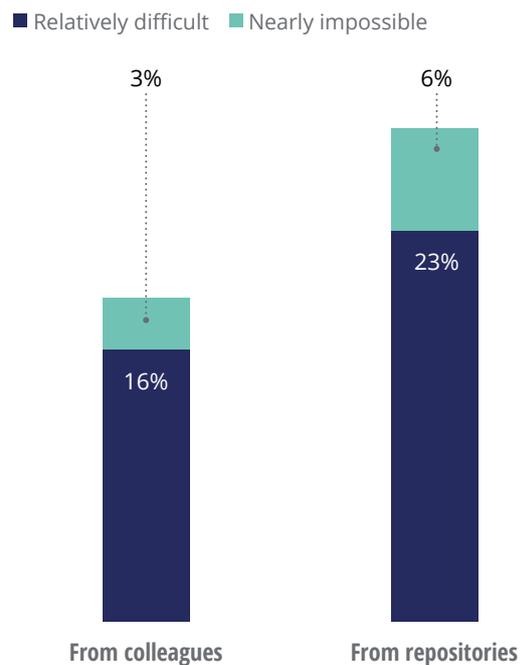
Artificial intelligence (AI), natural language processing and knowledge graphs – with the new era of these intelligent technologies, knowledge management is expected to make a quantum leap. After many years of the topic being ignored or deprioritised, there is now a widespread belief that modern technologies will automatically enable knowledge management, overcoming previous obstacles. But this is not the case.

**T**WENTY-NINE PER CENT of our survey respondents claimed it is difficult, or nearly impossible, to extract the knowledge needed for daily work from repositories – 50 percent higher than the 19 per cent who consider it difficult or impossible to retrieve information from colleagues (figure 1).

So why are repository systems at such a disadvantage when it comes to sharing knowledge? The easy answer is that people must enter content into these systems in the first place. That ‘content-in’ factor is crucial not only for the ease in finding content, but also for its quality. Survey respondents who found it difficult to obtain information from repositories were also more likely to rate the value of the obtained information as below average. On the contrary, 71 per cent who considered it easy to access the information also perceived its value as being above average (figure 2). If searching is difficult and the results are not highly valued, workers lose trust in the knowledge systems. This, in turn, makes them less willing to share personal knowledge in those systems, which reduces the quality of the content.

FIGURE 1

## Workers’ ease in obtaining relevant information from colleagues vs repositories



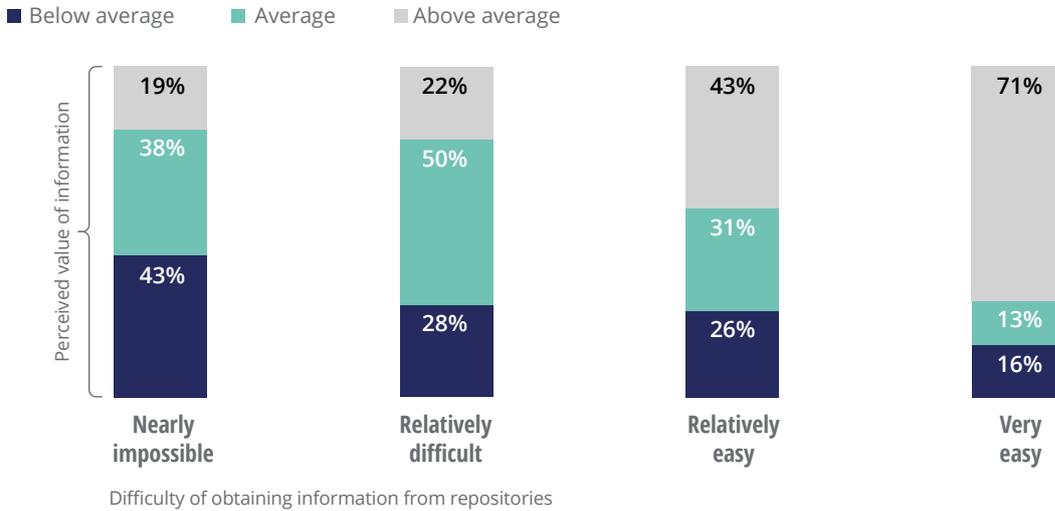
Source: Deloitte European Workforce Survey, 2020.

**Survey respondents who found it difficult to obtain information from repositories were also more likely to rate the value of the obtained information as below average.**

FIGURE 2

### The perceived value of information is higher where information is easy to access

Share of respondents considering the obtained information as above or below average, by perceived difficulty to obtain information from repositories.



Source: Deloitte European Workforce Survey, 2020.

### Fostering a knowledge-transfer culture

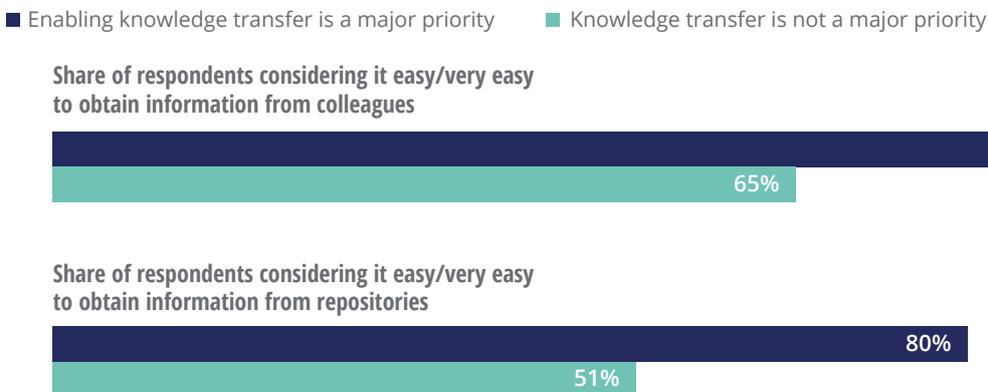
What can organisations do to generate trust in their knowledge systems and get the best out of them? The answer lies in shifting the company culture to place greater focus on knowledge transfer.

Our survey showed that the share of workers who considered it easy or very easy to obtain information from colleagues is 23 percentage points higher among those who say they work in a company where enabling knowledge transfer is a major priority (figure 3).

FIGURE 3

### Obtaining knowledge from repositories is significantly easier when the organisation is knowledge-focused

Share of respondents considering it easy/very easy to obtain information from colleagues or repositories, by perceived prioritisation of knowledge transfer within the organisation



Source: Deloitte European Workforce Survey, 2020.

The difference is even more prominent in the views workers shared about obtaining information from repositories: Of those working for companies that prioritise knowledge transfer, 80 per cent found it easy or very easy to access repository information; by contrast, among workers whose companies do not prioritise knowledge transfer, only 51 per cent found repository searching easy. That is a 29 percentage point gap. Thus, the investment in a complex knowledge system can be highly worthwhile, but only if the right culture is in place.

To nudge an organisation's culture in the right direction, business leaders should adopt a holistic knowledge-management approach with a strong leadership message: Knowledge sharing is a high priority. That message should be supported by clear expectations for what should be shared, by whom and how. This kind of transparent approach will facilitate structured knowledge transfer, with each employee understanding what is expected of them and where to find information. An established sharing culture of this kind elicits trust in the systems and better use.

## Repositories: One size does not fit all

An important consideration when implementing knowledge repositories is the limitations of trying to apply a one-tool solution. The European Workforce Survey proved that the workforce is not homogeneous. Varying needs and desires demand a set of interacting knowledge-sharing tools and options that will cater to all employees. An offering of this kind will illustrate a commitment to driving knowledge sharing – and putting people first.

A company's knowledge repositories can only be as good as the knowledge-sharing culture and underlying processes. People have to trust the repositories, actively support their use and find ways of sharing so that the repositories can support their needs. In this setting, modern language and AI-driven tools can be used to their full potential to give companies access to knowledge analytics and value creation instead of only building on knowledge capture.

**It is not the new generation of knowledge repositories that guarantees the success of knowledge transfer; rather, it is the human factor.**

# The human factor

Undeniably, a technological infrastructure of tools and platforms helps manage knowledge. But in the long run, that infrastructure and a knowledge-transfer culture can only be sustained if individual employees are part of the equation. In the context of generating, sharing and managing knowledge, organisations cannot underestimate the human factor.

IF WORKERS ARE unable or unwilling to foster knowledge management, even AI-enabled knowledge platforms and tools are liable to fail to create and preserve knowledge. How can the workforce be motivated to share knowledge? The answer seems obvious: Incentivise them to behave accordingly, and build their skills to use platforms and tools.

Deloitte’s research indicates that organisations are struggling to achieve that. In Deloitte’s 2020 edition of the Global Human Capital Trends study, 37 per cent of respondents reported that a common barrier to effective knowledge management is the lack of incentives. Another 35 per cent cited a frequent shift in roles and positions, which discouraged effective knowledge sharing.<sup>5</sup>

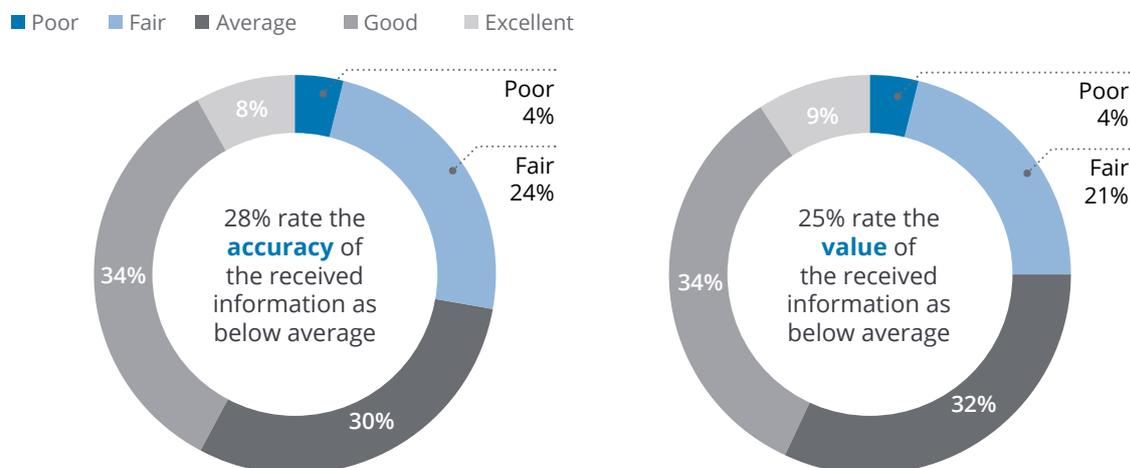
## The value of motivation

The good news is that a majority of the workforce claim to share knowledge with their colleagues – only 6 per cent of survey respondents said they rarely share their knowledge. But sharing knowledge is not sufficient. The information must be helpful to the receiver; otherwise, it is a waste of resources at both ends. Our survey revealed that every fourth employee believes information received is not of value (25 per cent) or is not accurate (28 per cent).

FIGURE 4

### Workers’ perceptions of accuracy and value of information received from repositories and colleagues

Share of respondents rating accuracy and value of information obtained as below average (i.e. “fair” or “poor”).



Source: Deloitte European Workforce Survey, 2020.

Half of all survey respondents identified the key driver of knowledge sharing as a feeling of contributing to team success. Another 42 per cent said they are motivated by the prospect of doing the right thing. These rather ‘altruistic drivers’ that address a non-personal benefit are more widespread among older workers (50-plus years old). Only a third of the 30-or-younger age group stated that sharing knowledge is the right thing to do; instead they see it as beneficial to their career – a clearly personal motive.

Thus, to incentivise workers to actively contribute and sustain a culture of knowledge, organisations should strive to understand the diverse needs of their workforces. Segmenting employees by age, identifying their drivers and providing positive reinforcement for the various cohorts is definitely a way forward.

## Rethinking enablement

The second aspect that defines the human factor is employees’ ability to manage knowledge. The World Economic Forum stated that technological change has created a “burning platform for the development of innovative large-scale upskilling, reskilling and redeployment initiatives.”<sup>6</sup> Taking this one step further, we suggest that skills in the field of knowledge management be pushed beyond operating a defined system that requires inputs and outputs. Instead, a deeper understanding of the context and value of knowledge needs to be spread across all skills, enabling employees to embed knowledge into all aspects of their working life.

In a world where digital natives – a post-generational workforce, from millennials to perennials<sup>7</sup> – define day-to-day business, the handling of tools is not the final problem to overcome but the first. The true challenge when it comes to knowledge management will be to filter and break down the mass of information that companies produce.

With big data and the constant production of facts, concepts and material, it is crucial that employees differentiate valuable knowledge from general information. This is the prerequisite if the knowledge management system is to be fed with meaningful information.

An organisation that enables its workforce to navigate the constant, overwhelming output of data will succeed with knowledge management. To master this challenge, individual employees must be able to address two questions: 1) What differentiates knowledge from mere information or daily experiences? 2) How can the knowledge that I have be of value to my colleagues?

Both questions can be answered only if the individual has a profound understanding of the organisation as an environment and is able to see their own knowledge in a broader context. Organisations that enable workers to create this understanding will be on a path that leads successfully to strong knowledge management.

**It is crucial that employees differentiate valuable knowledge from general information and that they are able to see their own knowledge in a broader context.**

# Action points for business leaders

To create the best chance of achieving a successful new knowledge-transfer culture, three action points are appropriate:

## 1 Create the mindset

Incorporate all employees' sharing preferences – which can vary by seniority, age or experience – but have one consistent message. Knowledge sharing must become a desire, rather than an obligation. This happens by providing a transparent and innovative environment, enabling employees to feel safe and develop a knowledge-sharing mindset in which they recognise the value in their own expertise, and its benefit to the company, and are able to learn continuously through the process of knowledge sharing.

## 2 Embrace the new knowledge management

Knowledge management has left the cornerstones of the past two decades behind. It is no longer about knowledge capture and the perfect file structure; it is not even about management any longer. Knowledge today is about creating additional value, and it is the backbone of the remote and hybrid work models that will define the 2020s. Sharing, transferring and adding knowledge will be part of the daily life of each employee. Making knowledge transfer a priority will improve an organisation's knowledge flow, and the enhanced value of information will justify investments in knowledge-management repository systems.

## 3 Use smart technologies smartly

Next-generation tools offer new features to generate additional insights from content. Natural language processing, graph technologies and AI are enabling new interactions with company knowledge. The content-in process will get easier and the 'content-out' possibilities are manifold: content connections, expertise clusters, skill movement, trending topics, on-demand retrieval and automated tagging are just some add-ons to 'normal' knowledge tools. Employees' trust in these knowledge repositories can be built by employers clearly defining expectations, purpose, knowledge roles and rewards. With smart deployment of smart tools, company knowledge can create context in a connected world.<sup>8</sup> Consider these tools not the solution but enablers for a new knowledge culture.

## Endnotes

1. Erica Volini et al., 2021 Deloitte Global Human Capital Trends: The social enterprise in a world disrupted, Deloitte Insights, 2020.
2. As the survey shows: 53% of workers who report their company prioritises knowledge transfer perceive their organisation as more innovative, compared to 28% who work for non-knowledge-focused companies; and 54% of workers who report their company prioritises knowledge transfer perceive their organisation as a more attractive employer, compared to 29% who work for non-knowledge-focused companies.
3. Will Gosling, Dr Michela Coppola and Kate McCarthy, May the workforce be with you: The voice of the European workforce 2020, Deloitte Insights, 2020.
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6. World Economic Forum, "Preparing for the future of work", accessed November 19, 2020.
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