Leveraging Knowledge Capital

**INTRODUCTION**

Leveraging knowledge capital in the Federal Government is increasingly critical today because:

- Reductions in staffing create a need to replace informal methods for sharing knowledge with formal methods
- The amount of time available to acquire knowledge, including hands-on knowledge gained through experience, has diminished
- Retirements and the increasing mobility of the workforce lead to loss of knowledge
- Most of our work is information based.

Organizations that effectively leverage their knowledge capital optimize their performance by connecting people to people and people to information within an over-arching business context. Moreover, they pay attention to the people and cultural issues, creating environments where an individual’s knowledge is valued and rewarded, and establishing cultures that recognize knowledge gained through personal experience and encourage employees to share.

The point of a Knowledge Management Program is to identify and disseminate knowledge gems from a sea of information. As such, the best knowledge management decisions are based on who (people), what (knowledge), and why (business objectives), saving the how (technology) for last.

**DESIGNING AND DEVELOPING A KNOWLEDGE MANAGEMENT PROGRAM**

The chart on the following page displays the major steps organizational leaders should consider when designing and developing a Knowledge Management (KM) Program appropriate for their organization. Each step of the process has an associated set of questions that will help leaders understand the implications with respect to resources, time, commitment, and implementation. Identifying the strategic goals and objectives a KM Program will support and linking the program to organizational performance are central to creating a KM Program.
Leveraging Knowledge Capital (continued)

Designing and Developing a Knowledge Management Program

Step 1: Identify Requirements and Outcomes

Step 2: Evaluate Work Climate and Structure

Step 3: Determine Knowledge Management Strategy

Step 4: Design Knowledge Management System

Step 5: Develop Knowledge Management System

Step 6: Implement Knowledge Management System

Step 7: Measure/Evaluate Impact

Provide feedback to Workforce Planning about knowledge capital needs

Link to Human Capital Performance Area and HR Systems

Link to Human Capital Performance Area – Individual Knowledge

Identify training needs and link to HR Development Systems

September 2005
### Leveraging Knowledge Capital (continued)

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<th>Steps</th>
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| **Step 1: Identify Requirements and Outcomes** | • What are the core knowledge requirements/competencies underlying the mission of your organization?  
• What value do customers expect from your organization?  
• How are the organizational knowledge requirements/competencies used to add that value for customers?  
• Which organizational goals and strategies do the knowledge competencies/requirements support?  
• What outcomes does your organization hope to achieve through managing knowledge; for instance:  
  – Make better decisions?  
  – Fill information gaps?  
  – Set direction?  
  – Foster innovation?  
  – Achieve faster implementation?  
  – Other?  
  – What are the organization’s most critical knowledge focus areas? |
| **Step 2: Evaluate Work Climate and Structure** | • Does your organization have a knowledge champion?  
• Does top management recognize the value of knowledge and actively support a knowledge management effort?  
• How will your organization identify the link between knowledge and organization performance?  
• How are the culture’s priorities likely to support or undermine more effective knowledge use around a particular activity?  
• Is there shared agreement about who owns the specific knowledge to be managed?  
• What practices need to change to reinforce more collaborative knowledge use?  
• Is your human resource policy and organization structure aligned with the organization's knowledge management strategy? |
## Leveraging Knowledge Capital (continued)

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| **Step 3: Determine Knowledge Management Strategy** | - Does your organization have a knowledge management strategy based on desired outcomes and the answers to the following questions:  
  - Does your organization offer standardized or customized products and services?  
  - How much does the organization focus on innovation?  
  - Do people in your organization rely on explicit knowledge (that can be codified) or tacit knowledge (acquired through personal experience) to solve problems?  
  - To what extent will your organization use a “codification strategy” (knowledge carefully codified and stored in databases and easily accessed) and/or a “personalization strategy” (knowledge closely tied to the person who developed it and shared mainly through person-to-person contacts)?  
  - What strategically critical knowledge is embedded in the organization’s processes and systems and what knowledge is held in people?  
  - Who in the organization is suffering from a knowledge gap and what do they need to know? |
| **Step 4: Design Knowledge Management System** | - What forms of organizational knowledge does your organization want to exploit (e.g., product knowledge, process knowledge, competitive knowledge, technical knowledge, customer knowledge, supply chain knowledge, best practices, expert directories, market intelligence)?  
  - Where and with whom does this information currently reside both inside and outside the organization?  
  - How will you get the information?  
  - What technology platforms will your organization use?  
  - What codifiable knowledge sharing mechanisms will your organization use?  
  - What experiential knowledge sharing mechanisms will your organization use?  
  - What dedicated resources will be devoted to creating, gathering, and storing knowledge for the organization?  
  - What new measures of performance and appropriate rewards will you create to reinforce the importance of knowledge sharing? |
## Leveraging Knowledge Capital (continued)

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| **Step 5: Develop Knowledge Management System** | - Does your organization use technology to support knowledge exploration (e.g., information systems, databases, communication technologies, Web technologies, email, electronic knowledge “yellow pages“)?  
  - Does your organization use collaborative technologies such as intranets or groupware for rapid information access?  
  - Does your organization designate physical and virtual spaces to exchange knowledge (e.g., “talk rooms,” formalized and sanctioned locations for conversation, a corporate university, forums to bring people together to consider subjects of mutual interest, an intranet)?  
  - Does your organization build and link networks of people to share knowledge face-to-face and over the telephone, email, videoconferences, directories of experts?  
  - Does your organization use seminars, technical exchange meetings, internal white papers, and on-the-job training as sources for knowledge sharing? |
| **Step 6: Implement Knowledge Management System** | - How will your organization introduce knowledge management into the organization?  
  - What are your timeframes for implementation?  
  - Will your organization pilot the knowledge management system before organization-wide implementation?  
  - What new procedures will be needed to help users adapt to knowledge management?  
  - How can training help incorporate knowledge management into the organization? |
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| **Step 7: Measure and Evaluate Impact** | • How has the "managed knowledge" contributed to the organization's desired outcomes?  
• How did shared knowledge affect business process performance?  
• Have any new knowledge gaps emerged based on new requirements?  
• Is the organization focusing on knowledge acquisition and sharing that will be critical to the organization's plans and strategies for the future?  
• How well was the workforce prepared for the organization's "knowledge management" effort?  
• How have employees been recognized, promoted, rewarded for sharing knowledge? |

This site provides access to the activities of the Knowledge Management Working Group. As described in its charter, the Working Group was established by the Federal Chief Information Officers Council (the CIO Council) as an interagency body to bring the benefits of the Government's intellectual assets to all Federal organizations, customers, and partners. This site provides links to the Working Group's special interest groups and documents, publications and articles, communities of practice, organizations and gateways, and Government links. KM.gov invites people to participate and join its listserv.

http://km.gov

The following is a knowledge management Web site for the U.S. Navy Human Performance Center: