



INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)

Dundigal, Hyderabad -500 043

MASTER OF BUSINESS ADMINISTRATION

COURSE LECTURE NOTES

Course Name	TALENT KNOWLEDGE MANAGEMENT
Course Code	CMBB61
Programme	MBA
Semester	IV
Course Coordinator	K. Vijaya Sekhar Reddy, Assistant Professor, MBA
Course Faculty	K. Vijaya Sekhar Reddy, Assistant Professor, MBA
Lecture Numbers	1-45
Topic Covered	All

I. COURSE OBJECTIVES (COs):

The course should enable the students to:	
I.	Understand organizational impacts of knowledge management on people and organizational performance.
II.	Learn and plan the talent required for an organization.
III.	Transfer the knowledge in most efficient manner by latest tools and techniques.
IV.	Acquire knowledge with different mechanisms and systems.

II. COURSE OUTCOMES (COs):

Students, who complete the course, will have demonstrated the ability to do the following:

CMBB61.01	Understand importance, designing & building a talent reservoir and segmentation of talent reservoir.
CMBB61.02	Demonstrate the characteristics, types of valid competency model and talent management information system.
CMBB61.03	Examine the purpose of developing a talent management information strategy and the role of leaders in talent management.
CMBB61.04	Express the nature of knowledge management alternative views of knowledge, types of knowledge and concept of location of knowledge.
CMBB61.05	Analyze the frame work of Hansen earl's seven schools of knowledge management alvesson and karreman's knowledge management approach.

CMBB61.06	Discuss the knowledge management solutions, mechanisms, systems and knowledge management infrastructure.
CMBB61.07	Describe the factors knowledge management processes in organizational performance.
CMBB61.08	Express the Hansen earl's seven schools of knowledge management
CMBB61.09	Apply the techniques of net present value, mean variance analysis hertz simulation, hillier approaches and the significance of information and data bank in project selections.
CMBB61.10	Express the nature of knowledge management alternative views of knowledge, types of knowledge and concept of location of knowledge.

UNIT-I	MEANING AND IMPORTANCE OF TALENT MANAGEMENT:
Meaning and importance of talent management. Designing and building a talent reservoir, segmenting the talent reservoir. Talent management grid. Creating a talent management system. Institutional strategies for dealing with talent management.	
UNIT -II	COMPETENCY
Meaning, characteristics, types steps in developing a valid competency model. Talent management information systems. Developing a talent management information strategy. Role of leaders in talent management.	
UNIT-III	THE NATURE OF KNOWLEDGE MANAGEMENT
The nature of knowledge management alternative views of knowledge. types of knowledge. Location of knowledge. Rise of the knowledge worker. Features of knowledge intensive firm. Key processes in knowledge intensive firms.	
UNIT-IV	KNOWLEDGE MANAGEMENT
Framework of Hansen earl's seven schools of knowledge management alvesson and karreman's knowledge management approaches. Knowledge management solutions, mechanisms and systems. Knowledge management infrastructure.	
UNIT-V	ORGANIZATINAL IMPACT OF KNOWLEDGE MANAGEMENT
Organizational impacts of knowledge management on people, processes, products and organizational performance. Factors influencing knowledge management. Knowledge management assessment of an organization importance, types and timing, knowledge discovery systems.	
Text Books:	
<ol style="list-style-type: none"> 1. Ed by Lance A. Berger and Dorothy R Berger. "The Talent Management Handbook", Tata McGraw Hill, 1st Edition, 2004. 2. Ed by Larry Israelite, "Talent Management", ASTD Press, 1st Edition, 2004. 3. Sajjad M Jasmuddin, "Knowledge Management", Cambridge, 1st Edition, 2009. 	
Reference Books:	
<ol style="list-style-type: none"> 1. Stuart Barnes, "Knowledge Management Systems", Cengage Learning, 1st Edition, 2002. 2. Irma Becerra-Fernandez, Avelino Gonzalez and Rajiv Sabherwal "Knowledge Management", Pearson Education Inc., 2nd Edition, 2009. 3. Donald Hislop, "Knowledge Management in Organizations", Oxford University Press, 3rd Edition, 2009. 	
Web References:	
<ol style="list-style-type: none"> 1. https://www.pwc.com/us/en/people-management/publications/assets/talent-managment-powering-strategic-initiatives-in-the-pmo.pdf 2. https://www.researchgate.net/publication/220363070_Integrating_talent_and_knowledge_management_Wher_e_are_the_benefits 	
E-Text Books:	
<ol style="list-style-type: none"> 1. https://www.slideshare.net/.../an-overview-of-knowledge-management-and-talent-management. 2. bookboon.com/en/talent-management-a-focus-on-excellence-eBooks 	

UNIT – I

MEANING AND IMPORTANCE OF TALENT MANAGEMENT:

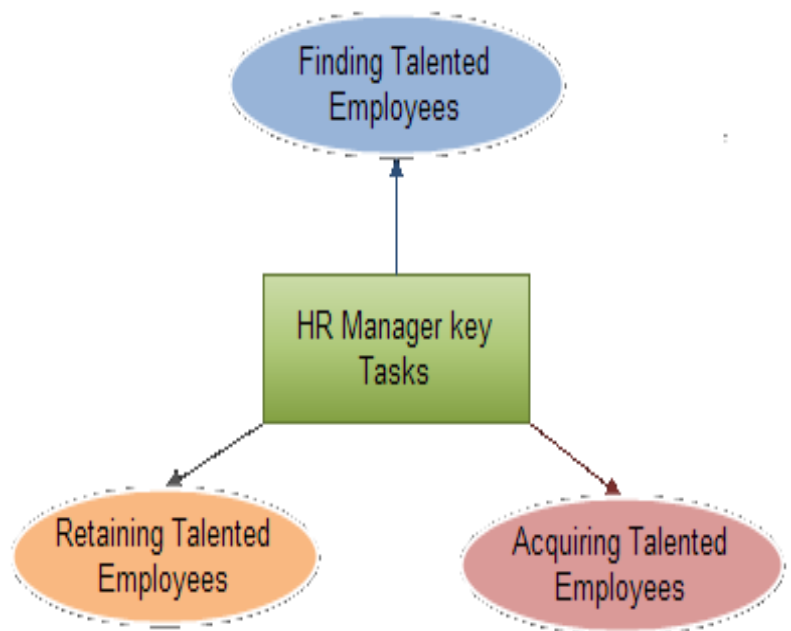
Meaning and importance of talent management. Designing and building a talent reservoir, segmenting the talent reservoir. Talent management grid. Creating a talent management system. Institutional strategies for dealing with talent management.

History: Talent management refers to the anticipation of required human capital for an organization and the planning to meet those needs. The field increased in popularity after research and the 2001 book on The War for Talent. Talent management in this context does not refer to the management of entertainers.

Talent management is the science of using strategic human resource planning to improve business value and to make it possible for companies and organizations to reach their goals. Everything done to recruit, retain, develop, reward and make people perform forms a part of talent management as well as strategic workforce planning. A talent-management strategy should link to business strategy to function more appropriately.

Implementation: A talent management system is suggested to be used in business strategy and implemented in daily processes throughout the company as a whole. It cannot be left solely to the human resources department to attract and retain employees, but rather be practiced in all levels of an

Talent Management from HR Point of View



organization. The business strategy must include responsibilities for line managers to develop the skills of their immediate subordinates. Divisions within the company should be openly sharing information with other departments in order for employees to gain knowledge of the overall organizational objectives.[7] The issue with many companies and the military today is that their organizations put tremendous effort into attracting employees to their company, but spend little time into retaining and developing talent.

The talent management strategy may be supported by technology such as HRIS (HR Information Systems) or HRMS (HR Management Systems).



Talent management: Talent management is an organization's ability to recruit, retain, and produce the most talented employees available in the job market. Talent consistently uncovers benefits in these critical economic areas: revenue, customer satisfaction, quality, productivity, cost, cycle time, and market capitalization. Having good talent management is when one has good skills, knowledge, cognitive abilities, and the potential to do well. Talent management is also an important and necessary skill for people in the workforce to acquire. Finding good and talented people is not a hard thing to do, but making sure that they want to stay working for the same business is the challenge. If someone has so much talent and they are good at what they do, businesses will want them to stay and work there forever. However, most of those people are either satisfied with the job they have, or they go out and look for better opportunities.

Talent marketplace: A talent marketplace is an employee training and development strategy that is set in place within an organization. It is found to be most beneficial for companies where the most productive employees can pick and choose the projects and assignments that are ideal for the specific employee. An ideal setting is where productivity is employee-centric and tasks are described as “judgement-based work,” for example, in a law firm. The point of activating a talent marketplace within a department is to harness and link individuals’ particular skills (project management or extensive knowledge in a particular field) with the task at hand. Examples of companies that implement the talent marketplace strategy are American Express and IBM.

The Concept of Total Performance Development Systems

Of course, simply ensuring that employees understand performance expectations is not sufficient. As Drucker, who has been credited with the concept of “management by objectives,” would point out, there must be procedures in place that allow for effectively monitoring outcomes and responding to the achievement, or lack thereof. Figure 2 is an expansion of Figure 1, incorporating these procedures.



With the additional performance review cycle components, the expanded graphic in Figure 2 represents key elements of the concept the present authors refer to as a Total Performance Development System (TPDS). Although TPDS is the evolutionary successor to earlier variants, which are typically labeled as performance evaluation or performance appraisal, the differences between TPDS and its precursors are vast. Whereas the latter are almost exclusively focused on employee evaluation — and oftentimes unsophisticated and metrically weak evaluation at that — there are five dynamic strategic alignment activities in the annual TPDS cycle that impact employees, all of which are grounded in strong evaluation measures:

- **Planning** between the supervisor and incumbent to establish performance objectives, determine mutual responsibilities for the achievement of these objectives, and anticipate resources and impediments that condition the achievement of the objectives.
- **Consultation** between the supervisor and the incumbent in the course of the performance year based on routine assessments of progress toward objectives, solving problems on issues negatively impacting achievement of objectives, and revisiting priorities.
- **Assessment** of the incumbent's performance at the end of the year considering the resources, impediments and priorities.
- Development of the incumbent through training and education to enhance capabilities relative to the current position and, prospectively, to improve his/her profile for possible advancement.
- **Reinforcing/rewarding** the performance achievements by addressing multiple needs, including economic, social, intellectual and personal actualization drives.

Designing and building a talent reservoir

Competency Assessment

Performance Appraisals

Succession and Career Planning

Creating a Talent Management Program for Organization Excellence

Allocate TREADs Appropriately

TREADs refer to investments made by an organization today in the form of training, rewards, education, assignments, and development activities. The return on most of these investments, however, will not be realized until the future. To properly invest its TREADs, an organization must classify each of its employees based on his or her actual or potential for adding value to the organization. The employee groups, for investment purpose, can be classified on the basis of their level of performance and competencies, their leadership and development of others, and their position as role models for the organization's creed. These classifications are as follows: Super keepers, those employees who greatly exceed expectations now and are projected to do so in the future (3 percent); Keepers, those employees who exceed expectations now and are projected to do so in the future (20 percent); Solid Citizens, those employees who meet organization expectations (75 percent); and Misfits, those employees who are below organization expectations (2 percent). Employees are placed in this category when they are either weak performers or lack the competencies for doing their job. Poor allocation of TREADs can lead to unwanted turnover, morale, and performance problems, particularly in Super keeper and Keeper groups. In the best performing organization, 5 percent of the resources are allocated to the Super keepers, 25 percent of the resources are allocated to the Keepers, 68 percent of the resources are allocated to the Solid Citizens, and 2 percent go to resurrecting some of the Misfits with potential for performance improvement. Part II, "Training, Coaching, and Development," describes in detail how TREADs can be used effectively in a talent management program.

Diagnostic Tools

Diagnostic tools are analytical devices an organization uses to convert the assessment of its people into a talent management plan. The five core diagnostic tools that are typically used by high performing organizations involve identifying the following strategic drivers:

1. **Super keeper reservoir:** Super keepers are employees whose performance greatly exceeds expectations, who inspire others to greatly exceed expectations, and who embody institutional competencies (including the creed). An organization must ensure that it has a cadre of these critical employees, since they will ensure its sustainability.
2. **Key position backups.** The "insurance policies" that ensure organization continuity. Every key position should have at least one backup at the "Keeper" (exceed job expectations) level.
3. **Surpluses.** Positions with more than one replacement for an incumbent. While ostensibly a positive result of the talent management process, it can be a potential source of turnover and morale problems if

the replacements are blocked by a non-promotable incumbent and or there is no realistic way most of the promotable replacements can advance.

4. **Voids.** Positions without a qualified backup. Once voids are identified, the organization should determine whether it will transfer someone from the surplus pool, develop alternative candidates, or recruit externally.

5. **Blockages.** Non-promotable incumbents standing in the path of one or more high-potential or promotable employees.

6. **Problem employees.** Those not meeting job expectations (measured achievement or competency proficiency). They should be given the opportunity to improve, receive remedial action, or be terminated. The time frame for observed improvement should be no longer than six months.

7. **TREADs allocation.** The value of investments in training, rewards, education, assignments, and development based on an employee's current and projected contribution to the organization—that is, the investment in Super keepers and Keepers, key position backups, and solid citizens. See allocation of TREADs above.

Talent Management System

Once an organization commits to excellence by embracing a creed and a strategy, the two strategic talent management drivers explained above, it will need to put into place a human resources system to ensure talent management implementation.

A talent management system is a set of procedures and processes that translate an organization's talent creed and strategy into a diagnostic and implementation program for achieving organization excellence. Most successful talent management systems consist of the following four components: (1) assessment tools, (2) multi-rater assessment, (3) diagnostic tools, and (4) monitoring processes.

Assessment Tools

Our research, conducted since the first edition of *The Talent Management Handbook*, continues to show that the infrastructure of human resources systems and processes for failed organizations is typically an incoherent mosaic of unconnected, incomplete, missing, and inconsistent assessment tools and methods.

This means performance appraisals, assessments of potential, competency evaluations, career planning, and replacement planning (the core elements of talent management) are unlinked and largely irreconcilable. Additionally, the return on the cost of implementing these programs as separate and distinct is low, time expenditure high, credibility low, and employee dissatisfaction pervasive.

Competency Assessment. Competencies are the building blocks of a talent management system. They are any behavior, skill, knowledge, or other type of stated expectation that is crucial to the success of each employee and to the success of the entire organization. Competencies used for employee assessment must always include the organization's creed. Our research has determined that most organizations use between four and nine competencies in their talent management process.

Table 1-2 illustrates a list of nine representative core competencies and their definitions. The list has undergone little change since the first edition of this book.

Core Competency	Attributes
Action Orientation	Targets and achieves results, overcomes obstacles, accepts responsibility, establishes standards and responsibilities, creates a results-oriented environment, and follows through on actions.
Citizenship	Demonstrates a commitment to the organization's stated creed, values, ethical codes, and principles of sustainability. Is honest, candid, and transparent in personal and business relationships. Exhibits integrity and builds trusting relationships with others.
Communication	Communicates well, both verbally and in writing. Effectively conveys and shares information and ideas with others. Listens carefully and understands various viewpoints. Presents ideas clearly and concisely and understands relevant detail in presented information.
Creativity/Innovation	Generates novel ideas and develops or improves existing and new systems that challenge the status quo, takes risks, and encourages innovation.

Customer Orientation	Listens to customers, builds customer confidence, increases customer satisfaction, ensures commitments are met, sets appropriate customer expectations, and responds to customer needs.
Interpersonal Skill	Effectively and productively engages with others and establishes trust, credibility, and confidence with them.
Leadership	Motivates, empowers, inspires, collaborates with, and encourages others to succeed. Develops a culture where employees feel ownership in what they do and continually improve the business. Creates a clear vision, accurately communicates the vision, and gets others to behave in a way to support the vision.
Teamwork	Knows when and how to attract, develop, reward, be part of, and utilize teams to optimize results. Acts to build trust, inspire enthusiasm, encourage others, and help resolve conflicts and develop consensus in supporting high-performance teams.
Technical/Functional Expertise	Demonstrates strong technical/functional proficiencies and knowledge in required areas of expertise. Shows knowledge of company business and proficiency in the strategic and financial processes, including profit and loss (P&L) planning processes and their implications for the company.

Spelling "Leadership," Selecting Leaders, Designing the Course

While choosing leadership topics based on the acronym "Leadership" may sound like a cheeky "cocktail napkin" exercise, it provides an easily understandable framework to focus weekly attention on specific leadership topics on which speakers can provide expertise and relevant experience. To spell "leadership," the facilitators engaged in healthy dialogue to determine the 10 leadership topics most pertinent to managing a dynamic organization and the specific learning objectives for each topic.

Before deciding on speakers, the facilitators established criteria by which they would be selected. While the ideal circumstance would be to select the leader who by title and portfolio most logically fits the topic, they weighed this guideline against any concerns about credibility, depth of knowledge and experience or anticipated availability. So, while the key leader was identified and selected in most cases, other qualified

leaders were selected in other cases. Also, for a few topics, such as "innovation" and "resource allocation," no logical so-titled key leader existed, therefore qualified experts within the campus administration were selected instead.

Human Resources Administration and the Department of Organizational Leadership and Supervision facilitate this program each spring semester, and the 2008 spring semester was its fifth year. Each weekly session is held on Friday afternoon for approximately two-and-a-half hours. Friday afternoon was selected because it was believed to be the best time for most staff to put aside their work for the week to focus on learning.

The original design of each weekly session involved inviting the leader to speak on the selected topic for up to 75 minutes, which includes 30 to 40 minutes for formal presentation and the remaining time for Q & A. The remaining class period is divided between a follow-up discussion activity led by one of the facilitators and time for the groups to form and discuss weekly progress on their projects. In preparing each speaker, while basic learning objectives are shared, no constraints are placed on content or how it will be delivered. Each speaker arrives with his or her own presentation style and form of delivery. Some have formal remarks, handouts and a PowerPoint; others speak more extemporaneously and have few handouts to share.

Despite this original design, a much more engaging process has evolved. Most of the speakers originally engaged with the program have remained throughout these five years and have become comfortable with the format and interaction with participants. Though busy, they appreciate being invited and are happy to "linger" to discuss current issues and concerns on campus related to their areas of responsibility. The facilitators encourage participants to take full advantage of this unique opportunity for intimacy. Consequently, the original 75-minute timeframe is often ignored in favor of full exploration of the topics that matter most to speaker and participant alike. More often than not, the planned follow-up activity is discarded in favor of this interaction.

Topic/ Leader Title and Office	Learning Objectives Upon completion of this topic, participants should be able to:
Leadership Overview IUPUI Chancellor and IU Executive Vice President	<ul style="list-style-type: none"> • Define leadership and the characteristics and styles of leaders; • Identify examples of leaders from a variety of settings; • Describe the differences between leaders and individual contributors; • Relate leadership to organizational strategic initiatives (i.e. mission, vision, values, culture, goals).

<p>Employee Engagement Assistant Vice Chancellor for Human Resources</p>	<ul style="list-style-type: none"> • Understand and define the importance of recruitment, retention, performance evaluation, motivating and engaging employees in the workplace; • Assess why and how investment in human capital supports the mission of IUPUI; • Convey ways to "engage" employees in their work and determine how to foster employee loyalty; • List ways to evaluate the effectiveness of an individual's performance, the unit's performance and the organization's performance.
<p>Accountability Vice Chancellor for Administration and Finance</p>	<ul style="list-style-type: none"> • Describe how IUPUI is accountable to its multiple publics; • Identify the leadership competencies needed to ensure accountability; • Explain how accountability is related to employee performance and resource management.
<p>Diversity Vice Chancellor for Diversity, Equity, Inclusion</p>	<ul style="list-style-type: none"> • Explain the importance of diversity at IUPUI; • Implement ways to manage a diverse workforce and serve diverse constituencies; • Encourage, value and manage diversity at IUPUI.
<p>Ethical Decision Making Director, IU Internal Audit Office</p>	<ul style="list-style-type: none"> • Behave in a manner which is ethical and consistent with organizational and leadership values; • Make realistic commitments, recognizing the impact to the organization and consider an appropriate range of issues or factors; • Grasp complexities and perceive relationships among problems or issues; • Recognize the impact and implications for other areas of the organization; • Produce decisions or solutions which are effective and practical.
<p>Resource Allocation Director, Economic Model Office</p>	<ul style="list-style-type: none"> • Describe the importance of making data-driven decisions; • Explain the concepts associated with a culture of evidence; • Locate the relevant data sources applicable in making resource allocation determinations; • Utilize data for improved decision-making and resource allocation.
<p>Service IUPUI Vice Chancellor</p>	<ul style="list-style-type: none"> • Define civic engagement, service and corporate philanthropy; • Understand the mission of civic engagement for IUPUI;

for External Affairs & Government Relations and IU Assistant Vice President for External Affairs	<ul style="list-style-type: none"> • List the barriers and challenges for carrying out this mission with staff positions; • List the benefits and motivational factors for involving staff in civic engagement.
Human Relations Associate Vice Chancellor for Facilities	<ul style="list-style-type: none"> • Establish and maintain open, candid and trusting work relationships; • Recognize and respond to the needs and concerns of others; • Work effectively with others to achieve a common goal; • Promote collaboration and remove obstacles to teamwork across the organization; • Use appropriate interpersonal styles and communication methods which leave self and others with a sense of being heard, understood and respected.
Innovation Executive Vice Chancellor and Dean of Faculties	<ul style="list-style-type: none"> • Recognize the need for new or modified approaches; • List the tools for creating a climate for innovation; • Develop a checklist for an innovative organization.
Planning & Process Special Assistant to the Chancellor for Academic Planning and Evaluation	<ul style="list-style-type: none"> • Define a work "process" and give campus examples; • List criteria for an effective improvement process; • Articulate the steps of an accelerated improvement process; • Identify areas of possible improvement in their units.

Leadership Overview

Leadership Overview consists of two class sessions. At the first class meeting, in addition to program requirements and learning objectives, the facilitators provide a context for leadership in general and specifically at IUPUI which serves as a guide for participants on what to look for and inquiries they should consider as they interact with campus leaders throughout the semester. The second segment of Leadership Overview is facilitated by Chancellor Charles

R. Bantz, whose tenure at IUPUI coincides with the duration of the leadership program. The program has greatly benefited from his insights and perspectives on leading as he has grown in his role. He has been consistently open with his views and information on current issues and events involving leadership within IUPUI, the IU state system overall and the city and state.

Employee Engagement

The logical institutional leader for the Employee Engagement session is the institution's HR lead, the assistant vice chancellor for human resources. In this session, particular emphasis is placed on challenging participants to consider what "employee engagement" means at all levels of responsibility and through all periods of employee "life" in the institution (early career, mid career, late career and retirement).

Accountability

This topic is presented by the vice chancellor for administration and finance, the chief fiscal officer for the institution. This session includes an overview of "responsibility-centered management" which is the method by which IUPUI manages its fiscal and administrative operations that, in comparison to some public institutions, places a greater level of direct responsibility on the individual schools to maintain fiscal viability. This session includes a discussion of how these institutional responsibilities translate to the roles that individual performers play.

Diversity

This session is facilitated by the institution's chief diversity officer. This role was previously assigned to the vice chancellor for student life, but has been reassigned to the newly created position of vice chancellor for diversity, equity and inclusion. Participants are challenged to think creatively about how their roles help facilitate clear institutional directives to increase recruitment and retention of diverse populations at all levels and to develop and maintain learning and working environments that are supportive of individuals of diverse backgrounds and identities.

Ethical Decision Making

This topic is presented by the director of internal audit for the Indiana University administrative system. This session stresses the necessity for leaders to behave ethically and model such behavior for others. It also reassures leaders that their ethical challenges can be supportively managed as long as there is good communication and openness in the process. Participants also discuss concrete hypothetical situations of the ethical dilemmas leaders often face.

Resource Allocation

Resource Allocation is facilitated by the director of the IUPUI Economic Model Office. The session is sobering to the extent that it lays out the various fiscal constraints facing the institution and the ever-tightening revenue stream from the legislature, research, grants, tuition and other sources. Yet it is instructional in giving participants a clear picture of the challenges academic leaders face in balancing these constraints against the need to create new programs in their schools and remain innovative and competitive.

Service

The vice chancellor for external affairs and government relations facilitates the Service session, which focuses primarily on civic engagement activities within the IUPUI community. While this generally involves the work faculty do in research, teaching and service that results in collaboration with and benefits to the local, state, national and international communities, the topic is broadened to include corporate models where staff efforts in supporting community initiatives are viewed as integral to their work.

Human Relations

Although Human Relations might logically fit within the same leadership purview as Employee Engagement, it was felt that a leader with direct, daily exposure to human relations issues was best suited. The associate vice chancellor for facilities leads over 400 staff in building services, grounds, maintenance, parking and fire safety, which includes the campus's largest concentration of union employees. This session addresses the very concrete challenges of motivating and engaging this workforce and providing meaningful opportunity for growth and individual contribution.

Innovation

The presenter for this topic varies from year to year, as the intent is to bring in a leader who has recently excelled in developing innovative research or developed a collaborative project with widespread implications for benefitting the local, national or international community. For spring 2008, the presenter was the executive vice chancellor and dean of faculties who developed the Signature Center Initiative, which is designed "to create strong research units that are uniquely identifiable with IUPUI [and] will lead the way in world-class research and creative activities that will substantially enhance IUPUI's reputation."

Planning and Process Improvement

Planning and Process Improvement is facilitated by the senior advisor to the chancellor for academic programming and evaluation, whose office is responsible for the planning, assessment and evaluation efforts of all programs within the schools. The "planning" segment covers the campus's approach to integrating and continually improving institutional planning and evaluation. The "process improvement" segment provides basic frameworks for process and quality improvement and illustrates their relevance to leaders who must champion and direct such efforts to ensure operational effectiveness at all levels.

Student/Staff Mix and Participant Expectations

Staff enroll in the LDO course through HR A, pay a small fee to cover materials, and participate as a professional development opportunity. Prerequisites are not stringent, though it is recommended that participants have engaged in at least one previous intensive professional development training opportunity, on or off campus. Although originally open only to managers, the program was expanded to include anyone who meets these basic prerequisites and wishes to serve as a leader through modeling appropriate leadership characteristics in his or her role rather than strictly through title or position.

Scenario Building Creates a Compelling Platform for Action

HR leadership is accountable for helping the organization interpret long-term needs for talent that will assure achievement of the institutionally planned future. Scenario building is an approach to envisioning the desired future. It is a process that utilizes discussion focused on data, discovery, dreams, design and delivery. HR can engage leadership groups and management by asking the following kinds of questions about talent management challenges:

What if we do nothing? What will happen if future needs for talent and current talent gaps remain unaddressed? How will this affect the university's success? To what degree can planned strategies be achieved? What units and initiatives will be most negatively impacted?

What if we were able to exceed our greatest expectations? What would result from substantial over-achievement? What could be expected in relationships with competitors, in rank, in enrollment, in research and in teaching success? What is the cost benefit?

What is realistic? Given institutional plans, what realistic investments in talent management are advisable? What priorities can be set so the organization's plans for the future are assured and related talent management goals are met?

Creating and Evaluating Talent Management Success

In order to set and evaluate talent management priorities, begin with how the organization hopes to describe its human performance capabilities and capacity in the future. These descriptions will usually be focused on organizational strengths and areas of distinction both current and developing.

Plan

- Numerically define strategic strengths and competencies needed to achieve organizational expectations.
- Set goals that result in closing gaps in current competencies.
- Set specific targets based on adaptive competencies that must be acquired.
- Determine metrics that will demonstrate "bench" strength needed.
- Provide measureable (cost benefit analysis) business plan proposals that demonstrate the value HR proposes as initiatives to supply and support the performance chain.
- Clarify executive endorsement among the possible HR initiatives.

Set Goals

- Identify specific, measurable goals that will predict success.
- Demonstrate the line of sight established between needed organizational outcomes and HR initiatives.

Invest

- Clarify how HR will realign generalists' and specialists' efforts to serve these initiatives.
- Realign HR's budget to serve talent management initiatives.
- Take responsibility for growth by substitution and seek initiative-based funding.

Perform

- Integrate HR's initiatives and budget to achieve intended organizational performance.
- Deliver on initiatives as planned, on time and within budget.
- Report progress in annual HR reports and in the human capital plan.

Measure

Compare outcomes to predictions, for instance:

- Core skill areas are experiencing higher retention than the rest of the organization.
- Core skill areas are compensated at or above the target relationship to market.
- Performance in core skill areas excels.
- High performers in core skill areas report higher than average employee commitment.
- Internal promotion rates in key performance areas are higher than average.
- Strong career communities have been established in core competency areas.

Designing and building a talent reservoir, segmenting the talent reservoir

Talent Reservoir (TR):

Talent Reservoir (TR) Talent reservoir is a talent management process that takes into account the various aspects of the assessment process to identify competencies required by the organization. It identifies key areas of risk management and organizational deficiencies. Talent reservoir integrates all components of talent management: selection (both internal and external), competency and performance evaluation, coaching and staff development, and succession planning. The goal of Talent Reservoir is to build a reservoir of high-talent people capable of supporting an organization's current and future business requirements.

Acceleration Pool System (APS) :

Acceleration Pool System (APS) APS is used for grooming executive talent and building a talent reservoir APS develops a group of high-potential candidates for undefined jobs at the executive level Senior managers can only focus on specific skill and knowledge development of high-potential candidates

Acceleration Pool System (Contd.) A midsize company may have one acceleration pool aimed at developing people for top management positions Nominations are made by management, based on job performance/assessment center results Candidates can join the accelerated development pool after knowing the pros and cons of it

How Acceleration Pool Works:

How Acceleration Pool Works Development of pool members is accelerated through "stretch" assignments It offers the best learning and highest-visibility opportunities Pool members spend less time in assignments Get more training Attend special developmental experiences: University executive programs In-company action learning sessions and Get more feedback and coaching

How Acceleration Pool Works (Contd.) People might be in the pool for 1 to 15 years, depending on when they enter and their development needs Pool members have assigned mentors Assessment Centers help define specific individual development needs Act as the basis for individual development plans A senior management team reviews each participant's job performance, competency development and job-experience growth at least twice a year

How Acceleration Pool Works (Contd.) Team makes appropriate assignment & development decisions for good of organization & candidate Organizational movement can be horizontal or vertical, with heavy use of task-force assignments to minimize family relocation Training focuses on management & interpersonal skills, with training delivered through: Action learning assignments, Virtual teams, Web-based self-study & Classroom instruction

How Acceleration Pool Works (Contd.) Most people become part of the pool relatively early in their careers but door is always open for late comers They can be dropped if they aren't adequately performing in their assigned jobs or not meeting their development goals Not everyone promoted to senior positions will come from the pool, but most of the internal promotions will

Segmenting Talent Reservoir:

Segmenting Talent Reservoir A large organization may have three pools: One starting at supervisory level One at middle management level and One directly below senior level Size of a pool depends on number of positions above it and Selection ratio that the organization would like to have in filling target positions

Segmenting Talent Reservoir (Contd.) An acceleration pool in a manufacturing firm may fill top plant management positions A middle managers pool may fill a range of positions Some people might be in 2 or 3 pools as they advance Some people may never be out of an acceleration pool They may jump from one pool to another as they move up

Factors Around Which Acceleration Pools are Built :

Factors Around Which Acceleration Pools are Built Acceleration pools are built around several factors that define the characteristics of the top managers needed: Competencies or dimensions Job challenges and Organizational knowledge

Competencies or dimensions :

Competencies or dimensions Clusters of behavior, knowledge, technical skills and motivations, important for success in senior management: change leadership strategic direction global marketing entrepreneurial insight and building of business partnerships

Job challenges:

Job challenges A person entering into top management, may need experience or exposure to : carrying an assignment from beginning to end being heavily involved with merger, acquisition, strategic alliance, or partnership opportunity implementing companywide change developing and implementing a plan to cut costs or control inventories negotiating agreements with external organizations & operating in high-pressure or high-visibility situations

Organizational knowledge:

Organizational knowledge A senior manager must understand to perform effectively in following areas: line and staff home office and field offices domestic & international and management and sales Benchmark organizations use a combination of job performance, interview & assessment-center data to identify high-potential people and to diagnose competency-development needs

Assessment Centers:

Assessment Centers What is an assessment/development center? An assessment/development center is a process designed to identify an individual's strengths, weaknesses, and potential in a current or future role. The assessment process is characterized by: Multiple participants rated by multiple assessors on several varied exercises Many of these exercises are designed to assess competencies Data integration: a structured evaluation of the participant in which assessors present objective evidence and reach a

consensus decision The outcome of an assessment/development center are: Written reports detailing a participant's competencies as they relate to job requirements One-to-one sessions examining the reports

Advantages of Assessment Center Method :

Advantages of Assessment Center Method A good system for spotting potential An excellent tool for diagnosing specific development needs which can be the target of effective training interventions Can play an important role in succession and development planning Provides insights far beyond those can be obtained by quicker, easier methods, such as, paper-and-pencil tests and interviews

How Acceleration Pool Members Develop :

How Acceleration Pool Members Develop Acceleration pool members develop through a combination of short, high-impact, targeted training programs Short-term learning experiences, such as, attending conferences or hosting a delegation of foreign customers and From meaningful, measurable job assignments

How Acceleration Pool Members Develop (Contd.) For each development activity, acceleration pool members are prepared for success They understand why the learning opportunity is important to their current and future job success They define desired outcomes relative to competencies, challenges & organizational knowledge

How Acceleration Pool Members Develop (Contd.) Specific measurable learning objectives are established to keep focus on application Acceleration pool members are evaluated on how they apply concepts acquired through training on a measurable way back on the job

How Acceleration Pool Members Develop (Contd.) By having application targets defined before taking training, pool members can focus their attention on application during training They can also tap into instructor's special knowledge or get coaching from other people in the training class, relative to the targeted application Pool members develop their learning goals and have a strong sense of ownership of their own development

How Acceleration Pool Members Develop (Contd.) After completing a learning event, pool members evaluate their success against their objectives and document their achievements Pool members & organization can use the information to gauge their developmental achievements on the road to senior management positions

Acceleration Pool Assumptions :

Acceleration Pool Assumptions Everyone has talent has the right to be developed has the right to be considered for promotion, but only a few people will be accelerated in their development Not being selected for an acceleration pool doesn't mean a manager's career development is stifled Many high-potential people decide that they don't want to be in an acceleration pool because of the pool's demand on lifestyle and other issues

How Acceleration Pool System Helps An Organization:

How Acceleration Pool System Helps An Organisation Organizational success depends more on having the right people for the right jobs at the right time There's a need to develop internal talent Acceleration pool system meets these needs Pools focus executives' time on developing the competencies of high-potential people

How Acceleration Pool System Helps An Organisation Acceleration pools are an attractive alternative They fit the current culture's young managers by offering intensive self-development, job flexibility & self-management of their careers Provides an ongoing supply of constantly developing high-potential candidates Emphasizes on competencies, job challenges & organizational knowledge

Talent management grid

Talent Management Organizations try to attract & retain best performing employees, hence talent management is very crucial Talent management is the process of: Managing current top performers & Attracting new credible individuals to join the team to attain high professional performance It is basically putting right people at right place & utilizing them to their full potential Many companies putting up strong teams & Incorporating talent management into their business strategies

Identifying and Retaining Talent :

Identifying and Retaining Talent To retain key talent, we need to identify the key talent Every quality employee is not a High Potential & High Performer employee Some one performs well in current role but

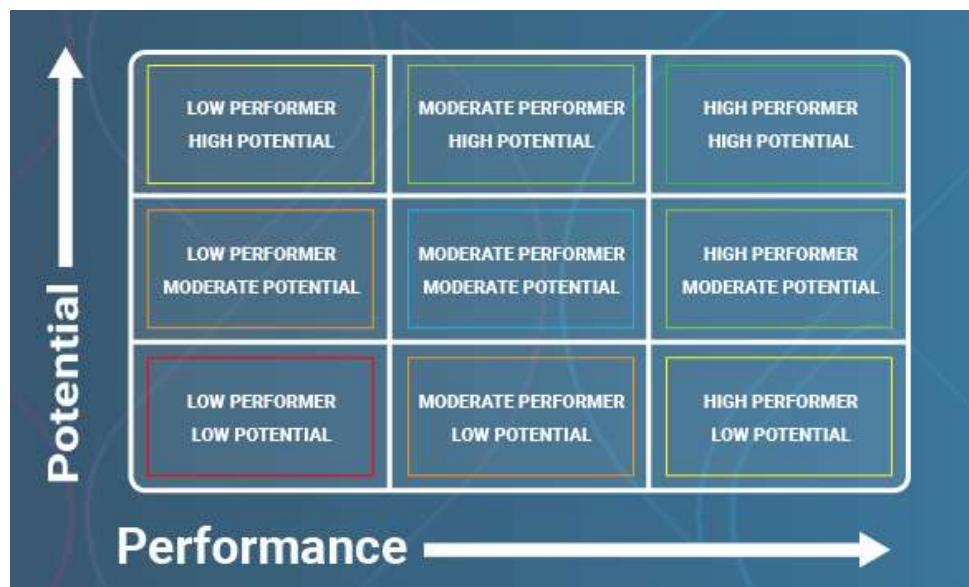
may not be a good performer in next role Many managers/leaders fail, as they got promotion based on: their technical job performance & not based on their management or leadership potential

Identifying and Deploying Talent:

Identifying and Deploying Talent Every individual has unique capabilities & talent An employee contributes effectively if the talent he/she possesses suits the job profile Otherwise, company will have to hire new resource or retrain an existing one, leading to wastage of resources

Nine Box TM Grid:

Nine Box TM Grid Nine box grid was developed by McKinsey for GE To enable them assess the potential of individuals in the business To prioritize the investment on HR & overall strategy Horizontal axis assesses the leadership performance & vertical axis assesses leadership potential A combination of potential & performance decides the box in which the employee will be placed



Using Nine Box Grid for Talent Management:

Using Nine Box Grid for Talent Management For Talent Management, an employee is evaluated based on two aspects: potential and performance Track record or previous performance of an employee forms basis for his selection for a particular role Potential of an employee is also looked into, to evaluate performance of an employee, if appropriate skills are made available Nine box grid specifies categories of employees, based on various potential levels against performance levels Talent management is the key element to an organization's succession planning process

Importance of Nine Box Grid :

Importance of Nine Box Grid Every employee can be assessed on two important dimensions – potential & performance Senior leadership team can use these to calibrate their expectations and ratings Multiple perspectives provide much more accurate assessment, compared to one person’s opinion When all managers uses the assessment tool, it facilitates a shared sense of ownership for organization’s talent pool It can identify the development needs of individuals and helps in development planning Provides a framework for succession planning

Importance of Nine Box Grid (Contd.) Nine box grid helps in effective talent management by recognizing the categories of employees using the appropriate techniques to retain & grooming the top talent pool Talent management is more helpful in tough economic times, as it helps in optimizing performance of employees & achieving profound growth in the organization importance of Nine Box Grid (Contd.) Based on performance & potential, managers and HR teams can place each individual into any of nine boxes The performance & potential of each individual need to be reviewed periodically Sometimes an individual underperforms due to: outside influences sick children, etc. & performance does change over time.

Importance of Nine Box Grid (Contd.) Once people are identified, all development activities are generally focused on high performers But if effort is made on low & middle performers – they can improve their performance High performers are already performing well & any investment on them, may not increase their performance considerably But high performers need not be ignored They are often self motivated & need opportunities for SELF development.

Encourages dialogue

As an HR professional, you’ll understand the difficulties of assessing employees’ performance and evaluating the health of different talent pools within your company so that you can help plan for business continuity and employee growth. How does the business go about rating your employees’ potential? How do you identify who will make a strong future leader, and do you know who is falling behind?

This is where the 9-box grid can help. It’s a simple, but visually powerful tool that serves as a framework for discussion with managers about talent and encourages important conversations that are unlikely to happen without it. It allows managers to collectively identify the strengths and weaknesses in their talent pool, whilst giving transparency over the state of the talent across the whole company, helping to remove barriers to employee movement.

You get a fresh perspective

Because the process of assigning employees to different parts of the grid is collaborative, managers benefit from hearing the opinions of others, so that a more objective assessment of employees' progress and potential can be made.

Perhaps a manager's relationship with an employee has biased their assessment of his/her performance. Or maybe an employee demonstrated abilities their manager wasn't aware of when collaborating on a project with a different team. Having a collection of opinions brings fresh perspectives for everyone involved, allowing for a more informed discussion.

Helps you plan for the future

The process doesn't stop with a constructive conversation however. The real value is in how you use the information to improve succession planning and employee career development, so you can ensure the continuity and growth, and take your business to the next level.

For example, those employees identified as having high potential and high performance and showing signs of being future leaders, or future stars in their own right, will need to be nurtured so they remain challenged and rewarded. Maybe they're the ones who will be integral to the success of an upcoming project or fill the shoes of a manager who has left.

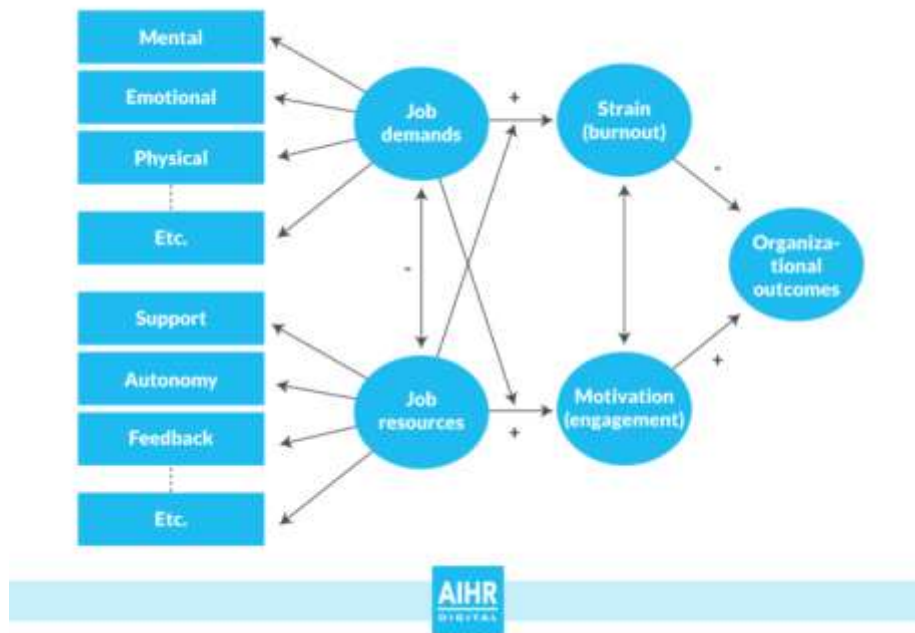
Some of the weaker players in your cohort, or those who aren't suited to their current role, can also be highlighted in this process. High potential but low performance employees may need motivating, perhaps by a stretch assignment, mentoring or a change in position within the company; candidates consistently assigned to the low potential and low performance box will need a different strategy. Should they be dropped from the grid altogether, and if so what are the implications for their future growth within the company?

Creating a talent management system

- Bring people up to speed faster (optimizing time to productivity)
- Identify gaps in skills and other job resources early on
- Actively train people to develop lacking skills
- Engage employees
- Retain them to stay productive longer

The basic assumption here is that employees who have all the resources to do their job well, perform better. This is backed up by research.

Below, you see the Job Demands-Resources Model. The model proposes that the right Job Resources lead to higher engagement and – in turn – personal and organizational performance. Job Demands, however, reduce engagement, and lead to burnout, leading to lower personal and organizational performance.



People will be engaged when Job Demands (e.g., an emotionally, mentally or physically demanding job, job complexity, work pressure) are compensated with a similar (or higher) level of Job Resources (autonomy, performance feedback, social support, coaching, relevant knowledge). So, someone working in a highly taxing job should have a high degree of autonomy, relevant knowledge, good and structured feedback, and (social) support from their supervisor and peers to achieve optimum engagement.

A good talent management strategy puts processes in place that enable this matching of job resources when job demands are high.

Let's make this more concrete by looking at how to create a talent management strategy before we continue to a few real-life examples of companies doing this well.

Creating a Talent Management System:

Creating a Talent Management System Broad process of managing human resources within an organization is called Talent Management Just as IT system organizes all computer related technologies within an organization A comprehensive Talent Management System manages & integrates all human resource (talent) related components of business A well-designed Talent Management System provides infrastructure to optimize investment in people

What is a Talent Management System? :

What is a Talent Management System? Talent management system incorporates important aspects of building, managing & equipping workforce to achieve strategic mission Important components of talent management system: Selection On-boarding Performance management Engaging & developing Career advancement and Succession planning An integrated talent management system Supports strategic initiatives Aligns talent management initiatives & Fosters employee/customer satisfaction

Understanding and Identifying Core Competencies :

Understanding and Identifying Core Competencies For creating an integrated TMS, understand & identify core competencies (CC) required for each job CC are skills & behaviours required to be effective in specific job & organization culture CC also reflect the needs driven from business strategy CC are fundamental to success of TMS from the point of hire through succession planning After identifying CC, TMS's objective is to align, engage & develop those CC in job candidates & internal team members

Selection :

Selection While selecting & hiring, ensure that candidates are thoroughly vetted against technical & soft skill requirements of the role Analyze the team's strengths & choose a new hire, based upon team gaps/composition in meeting strategic goals Select the "fit" candidates with values & expectations of organizational culture Tools to guide interviewing process & assessment instruments help to identify and vet candidates

On-Boarding :

On-Boarding On-boarding refers to mechanism through which new employees acquire necessary knowledge, skills & behaviors - to become effective organizational members & insiders Tactics used include formal meetings, lectures, videos, printed materials or Computer-based orientations to introduce newcomers to their new jobs & organizations These socialization techniques lead to positive outcomes for new employees: higher job satisfaction better job performance greater organisational commitment and reduction in stress & intent to quit

On-Boarding (Contd.) :

On-Boarding (Contd.) Accustom new employee into the organization or department Clearly depict vision, mission & values of the organization to new employees Each organization operates, like a family, in its own unique way Incorporate unique set of strengths, abilities, knowledge, values & experience brought by each new employee Leverage those attributes & increase the productivity of the organization Invest the time upfront with new employees, ensuring a successful on-boarding experience for both employee & organization

Performance Management, Engaging and Developing :

Performance Management, Engaging and Developing Ensure that natural strengths & abilities of each person are leveraged to the highest potential Maximize talent, both individually & within the team, predict success in retention, performance & organizational momentum Use tools & wisdom to actively identify, utilize & develop the talents of the people CC identified for an integrated TMS are used to evaluate & develop employees of the team Design proper performance management, 360° feedback & organizational training program for improving CC

Career Advancement and Succession Planning :

Career Advancement and Succession Planning Align potential of individuals with future opportunities in career advancement & succession planning Most organizations today are concerned about their leadership bench Assess leadership competencies necessary for future strategic success against existing talent potential Organizations now need to allocate resources to develop high potential internal candidates or Put aside fund to recruit outside candidates where internal gaps exist Workforce planning tools, assessment tools & high potential programs will be helpful

Institutional strategies for dealing with talent management.

1. Institutional Strategies for Dealing with Talent Management By Dr. G C Mohanta, Professor, Al-Qurmoshi Institute of Business Management, Hyderabad, India Talent management includes recruitment, induction, goal-setting, performance management, assessment, compensation management, learning, career planning and succession planning processes. These processes aim to retain employees and foster their continuing development of skills and competencies to achieve the organisation's immediate performance goals and long-term strategic objectives. Its champions claim that talent management processes give organisations valuable measurements, performance motivators and insights into workforce skills, competencies and emerging leaders. This vision empowers organisations to become more strategic in how they select, train, develop, retain, reward and help employees. Organisations may recognise the need, and ROI, of implementing talent management but it can be daunting to develop a talent management strategy and implement the supporting processes and technologies. The task can be simplified, using a competency-based approach to define and compare the organisation's desired state with its current state in terms of skills, knowledge, behaviours, performance - and the measurement and motivational processes associated with them. The competency-based approach is also key to building the talent management record system comprising jobs, employee and company competencies and skills, as well as broader employee information, often called the 'talent profile'. According to Paul Sparta, CEO of Plateau Systems, a leading provider of enterprise-class solutions for talent management: "As the pace of change accelerates, organisations are balancing recruitment with an investment not just in training but in comprehensive talent management strategies. By focusing resources on growing 'new talent' from existing employees, a good talent management strategy sharpens an organisation's competitive position, reduces recruitment costs, drives higher performance and boosts retention rates." Building a talent strategy 1. Start from where you are now and have the end in mind Involve the HR team, C-level executives, business unit heads and managers. Answer key questions about the organisation's culture, current and desired states. These might cover:

- Organisation statements
- Mission statement: why the company exists
- Corporate values: beliefs and how the company behaves
- Vision: what the company wants to be
- Strategy: business goals/objectives and competitive advantage

2. Balanced scorecard: how the company executes and monitors the plan

- How these statements and goals cascade through business units, divisions, market segments and departments
- Which jobs/roles and skills are needed to support company statements, performance and encourage innovation
- Which criteria the organisation can use to measure performance and to identify both high performers and underachievers Then, decide what the organisation should look like - in terms of leadership, capabilities and structure – to achieve these aims and goals. This defines the desired state for performance, competitive position and profitability. Next, examine any talent management components already in place. Analyse how well each component is working. Document your organisation's talent management priorities based on organisation goals, related talent requirements and the analysis of existing talent management processes and systems.

2. Employee competencies Define the competencies your organisation needs: - Core competencies: qualities and behaviours required of all employees - Leadership competencies: qualities and behaviours desired for supervisors, managers and executives - Job-specific competencies: skills, knowledge, abilities and behaviours Associate these competencies with specific roles and job positions. Establish the proficiency levels required for each competency. Use this to create a competency profile for each job.

3. Gap analysis - how do we get there from here? Conduct a skills inventory and gap analysis. The focus should be on the key competency/skill areas. This gathers information about the current state and provides a baseline for assessing and measuring progress. This enables organisations to identify qualified candidates for special projects or new assignments. It also allows employees to manage their career because they can see where they are and where they need to be. The organisation's performance appraisal process provides a means for collecting details on the current state of employee skills. Apply the same process used to evaluate an individual to the organisation. Tools can include: - Self-assessments - Annual performance appraisals - 360-degree assessments

3. Other useful information can be found in an employee's 'talent profile' including: awards; colleges/universities attended; membership of communities and associations; current goals; interests; language skills; past goals; professional qualifications, and work history. This

information is aggregated to show the organisation's inventory of job roles, skills and leadership. Record strengths and weaknesses - since a talent management strategy should address both. The combined company and employee information becomes the organisation's job profile and talent profile record system. 4. Culture shock - managing change E employees may resist talent management processes because it makes their performance more visible - and establishes a direct link between their performance and their career path and compensation. To prevent any undermining of the speed, success and value of the initiative, introduce communication and learning experiences that can ease the 'culture shock' and encourage employees to embrace the new system. Once an organisation has a solid talent management strategy in place, the next issue is how to translate that strategy into a system. The objective is to build a multiyear plan for taking talent management from where it is today to a fully integrated system tailored to the organisation's unique culture, business processes and strategic goals. It's important to realise that the end goal is neither the system nor the software. It isn't even about automating the talent management process, although the savings in terms of time and paperwork from doing this are often substantial. The real goal of creating a talent management system lies in giving people more time, information and the power to make a difference. With clear visibility of skills, competencies and talent readiness across the enterprise, the HR team and line managers have the strategic information they need to make better decisions. The result is higher performance for the organisation and more vibrant career development, and satisfaction, for employees. Best practice strategy is to start from what is in place, assess whether these systems are meeting your goals and if they can be integrated and maintained with your planned talent management processes and systems. If not, you need a replacement and migration plan in your talent management strategy. In deciding where to begin, consider: 1. What are the talent management business priorities?

UNIT – II

COMPETENCY

Meaning, characteristics, types steps in developing a valid competency model. Talent management information systems. Developing a talent management information strategy. Role of leaders in talent management.

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Meaning, characteristics, types steps in developing a valid competency model. Talent management information systems. Developing a talent management information strategy. Role of leaders in talent management.

Employee Core Competencies for Effective Talent Management

Competency models provide talent leaders with the insights needed to design a clear and effective talent management program. Most importantly, they improve and integrate every step in the talent management cycle: recruitment, onboarding, development, performance management, career development and succession.

A talent management function without competency models is like a house without furniture. Companies understand the need for this type of systematic approach: Organizations included in a 2013 report by technology firm CEB projected a 27 percent increase in competency modeling spending the following year, with the trend expected to continue thereafter.

Competencies are knowledge, skills, traits and behaviors that workers use to do their jobs. A competency model is a group of 10 to 30 competencies that are required for successful job performance, and competency modeling is a valid and systematic approach for selecting the right competencies.

In contrast to job descriptions, competency models typically are built by focusing on effective performers, not the job. Subject-matter experts such as supervisors and job incumbents usually provide direct input and, in some cases, effective performers are observed. It is preferable to write competency models that define the characteristics of high-performing individuals. Exemplary performers do certain things better than others; they also do some things entirely different.

Stepan Co. is a Northfield, Illinois-based chemical manufacturer with plants on four continents. Stepan implemented an online talent management system about two years ago, and shortly after began using competency modeling.

Joe Misurac, the company's manager of global learning and organization development, along with Janice Galuszka and Ariana Paz in human resources, drive the competency modeling process at Stepan. Misurac has been implementing competency programs since 2008, and he, along with Galuszka and Paz, see many benefits of the approach.

Above all, Misurac said competency models provide talent managers with a clearer idea of skills people need to develop. "Competencies help us to effectively use limited resources," he said. "I can use intuition, but the goal is to reduce subjectivity. Competency models show the standard. Competencies allow Stepan to create an integrated talent management system that ties learning and other HR processes together."

Galuszka identified global consistency as a huge advantage for using competency models at Stepan. "We can apply the role profiles all over the world, and then we can start bringing people back and forth," she said. "The confusion will be gone. Before, everyone was going their own ways."

"The competency models make staff much more aware and provide a framework for self-development and guidance," Paz added. "Otherwise, staff just hope and wait for their employer to promote them."

Steps to Build a Competency Model

Stepan has used three components to build its competency models.

1. Core-level competencies: Stepan has defined specific core competencies for five levels, from individual contributors to executives. The company has also created four levels of technical-track core competencies for those who will progress technically without managing other people.
2. Functional competencies: For each major function at Stepan, nontechnical and technical competencies needed for everyone in the function are identified.
3. Job family competencies: If a family of jobs exists, competencies are described for the family and required proficiencies are adjusted based on what is needed for each role.

For instance, consider an environmental engineer. The core competencies selected are for individual contributors on a technical track. The functional competencies are for anyone in the Environmental Health and Safety function and the job family competencies are for various levels of EHS engineers. Proficiencies vary by the job.

Misurac, Galuszka and Paz provide the following insights and advice for how to fine-tune competency modeling:

- Introduce competency modeling selectively when it can meet a real business need rather than rolling it out universally or according to a rigid schedule. For example, Misurac suggests competency modeling as one important component when approached for help with succession planning and job restructuring.
- Before a competency modeling process is implemented, it is important that HR has a true understanding of the process and the time it will take. Hearing or reading about it is a start, but it doesn't fully sink in until after going through a pilot with one group.
- Pre-meeting communications are key, often beginning with a private meeting with a department head, followed by a group meeting with the leadership team. Without pre-meetings, people may be uncommitted or a little lost.
- Get the right people in the room. Talent leaders need decisive people who have the vision of where the organization is going.
- Having managers or staff create competency models themselves doesn't work very well. Instead, use experienced competency modeling facilitators.
- Having a competency-modeling consultant is beneficial.

Competence

Competence indicates sufficiency of knowledge and skills that enable someone to act in a wide variety of situations. Because each level of responsibility has its own requirements, competence can occur in any period of a person's life or at any stage of his or her career.

Types steps in developing a valid competency model

You're probably familiar with the phrase "what gets measured gets done." Defining and measuring effectiveness – especially the performance of workers – is a critical part of your job as a manager.

Defining which competencies are necessary for success in your organization can help you do the following:

- Ensure that your people demonstrate sufficient expertise.
- Recruit and select new staff more effectively.
- Evaluate performance more effectively.
- Identify skill and competency gaps more efficiently.

- Provide more customized training and professional development.
- Plan sufficiently for succession.
- Make change management processes work more efficiently.

Design Principles of a Competency Framework

A competency framework defines the knowledge, skills, and attributes needed for people within an organization. Each individual role will have its own set of competencies needed to perform the job effectively. To develop this framework, you need to have an in-depth understanding of the roles within your business. To do this, you can take a few different approaches:

- Use a pre-set list of common, standard competencies, and then customize it to the specific needs of your organization.
- Use outside consultants to develop the framework for you.
- Create a general organizational framework, and use it as the basis for other frameworks as needed.

Developing a competency framework can take considerable effort. To make sure the framework is actually used as needed, it's important to make it relevant to the people who'll be using it – and so they can take ownership of it.

The following three principles are critical when designing a competency framework:

Involve the people doing the work – These frameworks should not be developed solely by HR people, who don't always know what each job actually involves. Nor should they be left to managers, who don't always understand exactly what each member of their staff does every day. To understand a role fully, you have to go to the source – the person doing the job – as well as getting a variety of other inputs into what makes someone successful in that job.

Communicate – People tend to get nervous about performance issues. Let them know why you're developing the framework, how it will be created, and how you'll use it. The more you communicate in advance, the easier your implementation will be.

Use relevant competencies – Ensure that the competencies you include apply to all roles covered by the framework. If you include irrelevant competencies, people will probably have a hard time relating to the framework in general. For example, if you created a framework to cover the whole organization, then financial management would not be included unless every worker had to demonstrate that skill. However,

a framework covering management roles would almost certainly involve the financial management competency.

Developing the Framework

There are four main steps in the competency framework development process. Each step has key actions that will encourage people to accept and use the final product.

Step One: Prepare

Define the purpose – Before you start analyzing jobs, and figuring out what each role needs for success, make sure you look at the purpose for creating the framework. How you plan to use it will impact whom you involve in preparing it, and how you determine its scope. For example, a framework for filling a job vacancy will be very specific, whereas a framework for evaluating compensation will need to cover a wide range of roles.

Create a competency framework team – Include people from all areas of your business that will use the framework. Where possible, aim to represent the diversity of your organization. It's also important to think about long-term needs, so that you can keep the framework updated and relevant.

Step Two: Collect Information

This is the main part of the framework. Generally, the better the data you collect, the more accurate your framework will be. For this reason, it's a good idea to consider which techniques you'll use to collect information about the roles, and the work involved in each one. You may want to use the following:

Observe – Watch people while they're performing their roles. This is especially useful for jobs that involve hands-on labor that you can physically observe.

Interview people – Talk to every person individually, choose a sample of people to interview, or conduct a group interview. You may also want to interview the supervisor of the job you're assessing. This helps you learn what a wide variety of people believe is needed for the role's success.

Create a questionnaire – A survey is an efficient way to gather data. Spend time making sure you ask the right questions, and consider the issues of reliability and validity. If you prefer, there are standardized job analysis questionnaires you can buy, rather than attempting to create your own.

Analyze the work – Which behaviors are used to perform the jobs covered by the framework? You may want to consider the following:

- Business plans, strategies, and objectives.
- Organizational principles.
- Job descriptions.
- Regulatory or other compliance issues.
- Predictions for the future of the organization or industry.
- Customer and supplier requirements.

Job analysis that includes a variety of techniques and considerations will give you the most comprehensive and accurate results. If you create a framework for the entire organization, make sure you use a sample of roles from across the company. This will help you capture the widest range of competencies that are still relevant to the whole business.

As you gather information about each role, record what you learn in separate behavioral statements. For example, if you learn that Paul from accounting is involved in bookkeeping, you might break that down into these behavioral statements: handles petty cash, maintains floats, pays vendors according to policy, and analyzes cash books each month. You might find that other roles also have similar tasks – and therefore bookkeeping will be a competency within that framework.

When you move on to Step Three, you'll be organizing the information into larger competencies, so it helps if you can analyze and group your raw data effectively.

Step Three: Build the Framework

This stage involves grouping all of the behaviors and skill sets into competencies. Follow these steps to help you with this task:

Group the statements – Ask your team members to read through the behavior statements, and group them into piles. The goal is to have three or four piles at first – for instance, manual skills, decision-making and judgment skills, and interpersonal skills.

Create subgroups – Break down each of the larger piles into subcategories of related behaviors. Typically, there will be three or four subgroupings for each larger category. This provides the basic structure of the competency framework.

Refine the subgroups – For each of the larger categories, define the subgroups even further. Ask yourself why and how the behaviors relate, or don't relate, to one another, and revise your groupings as necessary.

Identify and name the competencies – Ask your team to identify a specific competency to represent each of the smaller subgroups of behaviors. Then they can also name the larger category.

Here's an example of groupings and subgroupings for general management competencies:

- Supervising and leading teams.
- Provide ongoing direction and support to staff.
- Take initiative to provide direction.
- Communicate direction to staff.
- Monitor performance of staff.
- Motivate staff.
- Develop succession plan.
- Ensure that company standards are met.
- Recruiting and staffing.
- Prepare job descriptions and role specifications.
- Participate in selection interviews.
- Identify individuals' training needs.
- Implement disciplinary and grievance procedures.
- Ensure that legal obligations are met.
- Develop staff contracts.
- Develop salary scales and compensation packages.
- Develop personnel management procedures.
- Make sure staff resources meet organizational needs.
- Training and development.
- Deliver training to junior staff.
- Deliver training to senior staff.
- Identify training needs.
- Support personal development.
- Develop training materials and methodology.

- Managing projects/programs
- Prepare detailed operational plans.
- Manage financial and human resources.
- Monitor overall performance against objectives.
- Write reports, project proposals, and amendments.
- Understand external funding environment.
- Develop project/program strategy.

You may need to add levels for each competency. This is particularly useful when using the framework for compensation or performance reviews. To do so, take each competency, and divide the related behaviors into measurement scales according to complexity, responsibility, scope, or other relevant criteria. These levels may already exist if you have job grading in place.

Validate and revise the competencies as necessary – For each item, ask these questions:

Is this behavior demonstrated by people who perform the work most effectively? In other words, are people who don't demonstrate this behavior ineffective in the role?

Is this behavior relevant and necessary for effective work performance?

These questions are often asked in the form of a survey. It's important to look for consensus among the people doing the job, as well as areas where there's little agreement. Also, look for possible issues with language, or the way the competencies are described, and refine those as well.

Step Four: Implement

As you roll out the finalized competency framework, remember the principle of communication that we mentioned earlier. To help get buy-in from members of staff at all levels of the organization, it's important to explain to them why the framework was developed, and how you'd like it to be used. Discuss how it will be updated, and which procedures you've put in place to accommodate changes.

Here are some tips for implementing the framework:

Link to business objectives – Make connections between individual competencies and organizational goals and values as much as possible.

Reward the competencies – Check that your policies and practices support and reward the competencies identified.

Provide coaching and training – Make sure there's adequate coaching and training available. People need to know that their efforts will be supported.

Keep it simple – Make the framework as simple as possible. You want the document to be used, not filed away and forgotten.

Communicate – Most importantly, treat the implementation as you would any other change initiative. The more open and honest you are throughout the process, the better the end result – and the better the chances of the project achieving your objectives.

Types steps in developing a valid competency model

Step 1. Conduct Research: Gather and analyze background information

The development of an industry competency model is based on an analysis and synthesis of existing national and state resources, skills standards, technical curriculum, and certifications in the industry sector. This step is best accomplished using industry or subject matter experts who familiar with the terminology, processes, and skills required in the industry.

The process of gathering information involves:

- Defining the industry
- Identifying the key occupations in the industry
- Analyzing the required knowledge, skills, and abilities (KSAs) using the O*NET database to determine commonalities across the key occupations
- Identifying and cataloging existing resources
- Aligning the KSAs defined in the resources to the building blocks framework

Step 2. Develop draft competency model framework

The draft competency model framework includes competency names with definitions and descriptions. ETA undertakes this step with the knowledge that the original developers may have used slightly different terms to indicate a competency--e.g., using the term communication rather than listening and speaking. Competencies might also be shown on a different tier of the building blocks model than what was indicated in the original material--e.g. critical thinking might have been referred to as a workplace or organizational competency whereas it is shown with academic competencies in the Building Blocks Model. The critical issue is to ensure that the required competencies are included in an industry model. It is less important to display them on any particular tier.

Use the Building Blocks Model to ensure that the draft industry framework is comprehensive:

- Identify themes and patterns existent in the information.
- Relate the terms to the building block content areas.
- Develop a draft competency model for the industry.

Step 3. Gather feedback from industry representatives

Refine the draft model developed in Step 2 through input from subject matter experts and target users of the competency model. Focus groups' members representing high growth/high demand industry sectors were selected based on:

- Familiarity with the competency requirements of the industry
- Representation across geographic and industry sub-sectors
- Representation of diverse viewpoints.

The following activities were used to gather feedback from the focus group members either in person or through a series of telephone and electronic communications:

- Summarize the purpose and process of the competency model development project at the beginning of the session.
- Review draft competency model. The group members were provided an opportunity to familiarize themselves with the competency model.
- Discuss each competency in turn.

Gather input regarding:

- The competency names, definitions, and (as relevant) the specific behaviors used to describe each competency. Discuss how this material should be edited to ensure that it accurately captures the essence of the competency in language that will "ring true" to users.
- Whether any of the competencies in the draft model should be deleted because they are not relevant to, or important to, the target occupation(s), organization, or industry
- Whether any competencies should be added. If so, work with the group to derive definitions and behaviors describing those competencies.

Step 4. Refine the competency model framework

Using industry experts as in Step 1, refine the draft model:

- Analyze the information gathered through the focus group session.
- Edit the competency names, definitions and (as relevant) behaviors to reflect the input gathered.
- Add or delete competencies from the model as appropriate.

Step 5. Validate the competency model framework

To ensure acceptance by the target community of users, the behaviors associated with the competencies identified in the framework should be those that are important for successful job performance. The competency model framework should be distributed widely to industry associations and their membership. It is ETA's expectation that business and industry will then assume responsibility for ensuring that the model becomes a useful and usable tool that is updated regularly to meet their changing workforce needs.

Step 6. Finalize the model framework

Industry models are available on the Competency Model Clearinghouse Web site. The framework for an industry model is displayed as a graphic representation of the content building blocks customized to the industry.

Talent management information systems

Purpose of Talent Management Information System :

Purpose of Talent Management Information System The following are the purposes of Talent Management Information System: Employee Competency Assessment Succession Planning Training and Professional Development Compensation Providing Additional Features as Required & Integration

Purpose of TMIS:

Purpose of TMIS Enable companies to track, manage and analyze data for all employees from applicant to retiree Automate workflow to improve efficiency With powerful reporting tools, complete picture of a company's workforce can be obtained for planning. TMIS blend functions like benefits administration, time and attendance, performance management and total compensation with training and development, needs assessment/ succession planning and self-service.

Purpose of TMIS:

Purpose of TMIS Using TMIS as information source, companies can: improve communication of HR and company strategies reduce time & money spent on paper documentation With employee HR and benefits information stored in TMIS, employees can access the information at any time, along with other company communications

Engagement :

Engagement Engaging employees requires companies to inform them of company's direction, invest in their future and give them greater control over direction of their careers give employees opportunity to be active in their own career path TMIS can be the vehicle for that

Structure :

Structure TMIS has all the tools to perform the tasks of Recruiting, on-boarding, performance management, training & development, needs assessment and succession planning With these functions and the complete picture of every employee TMIS provides, managers and employees can build career paths While HR creates a companywide talent-management strategy A fully integrated TMIS enables companies to merge traditional analysis with their talent-management plans

Recruiting :

Recruiting TMIS make recruiting process more efficient for company and candidates Make company more attractive to candidates With online recruiting system, the job application process can be done completely online As a communication tool, TMIS is the fastest way to get information out to applicants. Applicants can fill out a profile or upload a resume and samples of their work and apply for jobs. Companies can place detailed requirements, including education, work experience and proficiency levels for each position.

On-boarding :

On-boarding 90% companies believe that employees decide whether to stay at a company in first 6 months. Best companies, extend on-boarding for full 6 month Use technology for on-boarding reduces costs, turnover and time for new employees to be productive Use technology to help them with Automating communication and filling out forms Alerting new employees to on-boarding needs Tracking new employees' progress Providing a personal page where employees can see their own data

On-boarding:

On-boarding During on-boarding process, company pushes information to new recruits through TMIS to develop them Where they can actually see and control much of what happens to them, they're instantly engaged New hires can see what courses are available to them and what path their career could take at the company The future path shows new hires that the company is organized, has bigger plans for them and is willing to invest in their career development This knowledge could be the difference between deciding to stay and looking elsewhere

Performance Management:

Performance Management Companies can use TMIS to design customized performance management programs which are online, paperless, efficient, comprehensive & easy to use HR personnel can create standard performance review questions while managers can create custom questions for their departments. Automatic alerts let managers know when upcoming reviews are near as well as other deadlines, Employees, managers and anyone involved in a 360- degree review can complete questions online making it much easier for HR. All reviewers have access to information - discipline history, training courses completed, goals accomplished, certifications & previous reviews HR can calibrate reviews based on each reviewer's past evaluations which are stored by the TMIS HR personnel can calibrate the results of the review so that each employee receives a fair evaluation. Employees can also include their personal career goals in performance reviews

Training and Development:

Training and Development Companies want to develop competencies to have workforce with capability to fill gaps without new hires Using TMIS companies can administer their training and development set up courses, enroll employees develop career paths monitor training and development budget, in addition to compensation and benefits set up class times, facilities, trainers and offer registration for the courses

Training History:

Training History Managers can keep a complete history of training and development for each employee TMIS automatically updates completed courses, associated competencies, qualifications, certifications and needs Managers can view cost of every course and track the total investment in training for each employee. Managers can view this information alongside an employee's total compensation package

Self-Service :

Self-Service Employees can see requirements and qualifications of jobs they aspire to and use that information to plan their futures. They can make their own development plans and monitor training and development progress along those plans. Once they put their goals into the system, the goals automatically become needs. Giving employees control over their career paths shows confidence in them, which makes them feel more respected & part of the team. Managers looking to fill positions can search for employees with specific qualifications, competencies, behaviors & career goals. They can also monitor employees to assess their readiness for positions, comparing competency matches to job requirements

Needs Assessment (Gap Analysis):

Needs Assessment (Gap Analysis) With TMIS, companies get a bird's eye view of their entire workforce. They can perform two types of needs assessments: one for individuals and other for the workforce as a whole.

Competency Models :

Competency Models For each employee, HR can create a table Listing person's competencies and proficiency at each of them, Measured on a scale appropriate for each competency. Listing of the employee's education, work experience, certifications,

Succession Planning:

Succession Planning Succession planning enables companies to react and plan for changes in the workplace: retirement of employees, changes in business, increased competition for talent or unplanned turnover With TMIS, companies can plan for changes in individual positions and changes in whole workforces

Filling Positions :

Filling Positions Managers can use TMIS to rank employees based on proficiency levels in certain competencies, qualifications, behaviors, education They can nominate employees for jobs and review gaps in employee development Managers can successfully monitor a talent pool of potentially promotable individuals Develop replacement and succession models when considering advancements.

Managing the Workforce as a Whole:

Managing the Workforce as a Whole Companies can develop current employees with goals in mind so that the right people have the right training to fill positions in the company as others leave Companies can plan and budget for changes to existing staff as well as future staffing needs.

Developing a talent management information strategy:

Introduction :

Introduction To develop a talent management information strategy, companies will need to practice a form of ruthlessness: reassessment auditing & questioning Talent management as a support tool must be assessed on the value of the information to decision-makers at the executive level Process for developing an information system should be based on two clear measures: a lean, flexible systems and senior executive understanding and buy-in

Talent Management Information Strategy :

Talent Management Information Strategy The following are the process in developing Talent Management Information Strategy: List Components to be Incorporated into the System Prepare Project Statement Prepare Data Flow Chart Develop Management Plan Analyze Existing Systems & Request for Proposals

Prepare Project Statement :

Prepare Project Statement Project statement to be prepared based on management needs of the organization. The statement includes project mission and list of project stakeholders

Project Mission:

Project Mission Create a talent management system with a focus on training employees in deficiency areas Based on assessments conducted three times per year by each employee's supervisor and clients The employee can also do self analysis as part of a 360 degree review Project Mission (contd.) Training programme recommendations to be updated daily Variety of programs to be offered online and special

programs to be announced daily Inputting information to be open to all employees and outside clients with a universal identification Individual reports and course announcements to be delivered through special employee code Overall assessment data to be presented in report form to the company's top executives

List Components to be Incorporated into the System :

List Components to be Incorporated into the System List & describe the components to be incorporated into the system, such as: succession planning performance appraisal career plans training & development Take into consideration existing software available with the company: Client relationship management software developed by Siebel Systems with full Internet & telephone capabilities SAP enterprise software system for the HR department

Prepare Data Flow Chart :

Prepare Data Flow Chart Describe the components that will be through the reports How demographic information to be included & how it will be disseminated throughout report components Two essential elements of demographic information are Raw personnel data: names positions titles Job classification start dates & end dates Evaluation or assessment data How this data will interact with the various reporting methodologies to be mapped using information flow charts

Develop Management Plan:

Develop Management Plan A management plan to be developed at the early stages It will include: who will be responsible for inputting data into the system & who will be responsible for design

Analyse Existing Systems and Request for Proposals:

Analyse Existing Systems and Request for Proposals Conduct thorough analysis of the existing internal human resource information systems Find out how data is queried and exported Combine this information with project statement to produce a series of potential design scenarios Create an internal request for

proposal (RFP) The company will write RFP document, to help in deciding which software strategy to be pursued based on the scenario results and the range of software options on the market

RFP Solution:

RFP Solution Using Customer Relationship Management as base, create an internet based assessment system tied to: a list of training & organizational reports Employee to be given a series of recommended courses & books and To be alerted to company sponsored events on the company Websites The employee to complete a form indicating which reports he or she will be taking RFP Solution (Contd.) The overall information to be delivered in spreadsheet format and to be used by the HR department: to create a series of reports correlating the financial results of the organisation to the training programs taken by the employees and improved ratings The organisation to have an option to link the financial database with the training database at a later time depending on the efficiency of the preliminary arrangements

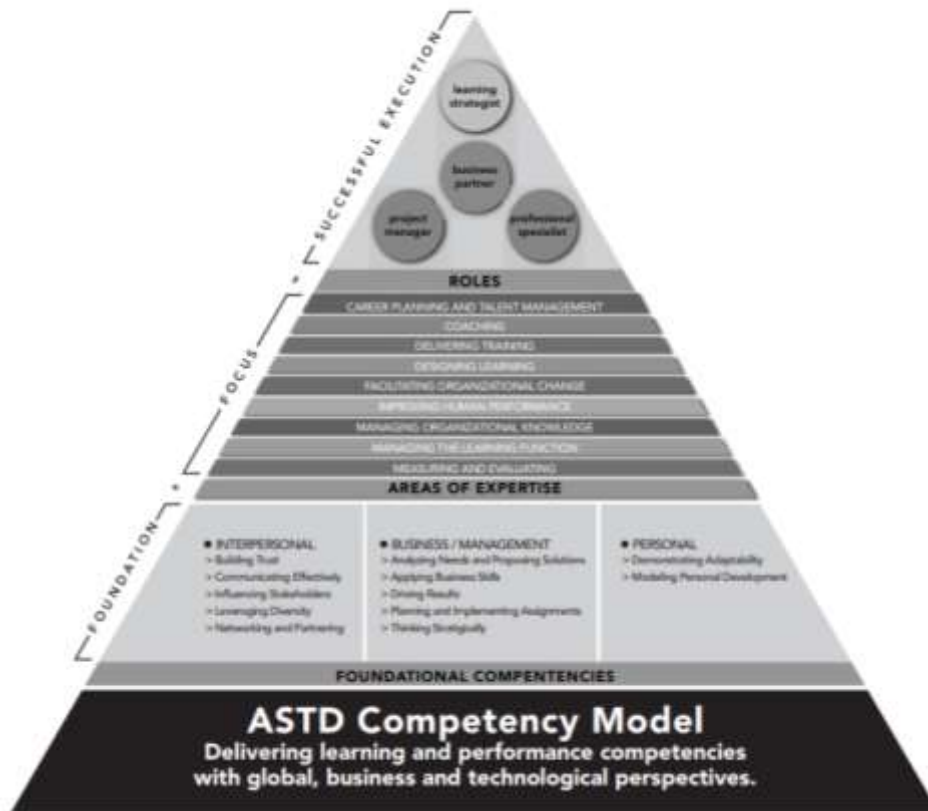
Role of leaders in talent management.

Consider the model that ASTD has developed for workforce learning and performance (WLP) professionals. According to ASTD:

The ASTD WLP competency model for learning and performance was derived from an in-depth, comprehensive study of the learning profession. The model identifies the roles, areas of expertise, and foundational competencies for professionals in the learning and performance field.

At the top of the competency model are four roles, or lenses through which WLP practitioners may view the model. Roles are groupings of targeted competencies. An individual's job may encompass one or more roles. The four roles are

- learning strategist
- business partner
- project manager
- professional specialist.



Next are areas of expertise (AOEs). AOEs are the specialized knowledge/skills an individual needs to perform in a learning and performance role. An individual may need expertise in one or more areas. ASTD has identified nine areas of expertise deemed critical for WLP professionals:

- career planning and talent management
- coaching
- delivering training
- designing learning
- facilitating organizational change
- improving human performance
- managing the learning function
- managing organizational knowledge
- measuring and evaluating.



Recruiting

The foundation of talent management is hiring the right people. The best recruiting processes support those efforts by carefully defining job descriptions, using an applicant tracking system to help manage the workflow of the interview process, and carefully interviewing applicants to select the strongest candidates.

Performance Management

Once employees have been hired, it's essential to have the right processes in place to successfully manage them. HR technology and service solutions in areas such as time and attendance can help track productivity and performance. Regular review processes help keep lines of communications open between management and staff, allowing workers to get feedback on what's going well and where they need to improve their performance.

Career Management

Managing your employees' career paths can help increase satisfaction while reducing costly turnover. Building on the information collected during annual reviews, companies can learn more about employees' strengths and interests. With that in mind, it's possible to work with employees on long-term career development plans. Whether you're dealing with someone on the management track or someone

interested in being a highly skilled individual contributor, career management is a critical component of talent management and employee satisfaction.

Leadership Development

Have you identified the next generation of leaders within your organization? That's a vital part of the talent management process. Once these high-performance, high-potential individuals have been located, businesses need to consider the best way to retain them over the long-term. Often, this process requires a focus on training, stretch assignments, and mentoring.



Organizational Strategy

Talent management activities rarely happen in isolation. Instead, strategic recruiting and support of workforce development begins with a company-level commitment. Your HR team may play a leading role in making this happen, from identifying talent management as a strategic priority to determining how and where that focus will be applied.

Focusing on talent management is a critical component of your broader workforce management strategy, because recruiting, training, retaining, and promoting the right people are essential steps in reaching your staffing goals. While human capital management initiatives encompass talent management and much more, understanding and executing the day-to-day activities of recruiting, leadership development, strategy creation, and career management are essential for successful HCM.

UNIT – III

THE NATURE OF KNOWLEDGE MANAGEMENT

The nature of knowledge management alternative views of knowledge. types of knowledge. Location of knowledge.

Rise of the knowledge worker. Features of knowledge intensive firm. Key processes in knowledge intensive firms.

THE NATURE OF KNOWLEDGE MANAGEMENT:

The nature of knowledge management alternative views of knowledge. types of knowledge. Location of knowledge. Rise of the knowledge worker. Features of knowledge intensive firm. Key processes in knowledge intensive firms.

Data, Information & Knowledge :

Data, Information & Knowledge Data: Discrete, objective facts (numbers, symbols, figures) without context or interpretation Information: Data which adds value to the understanding of a subject and in context, is the basis for knowledge Knowledge: The combination of data and information, to which is added expert opinion, skills and experience, to result in a valuable asset which can be used to aid decision making. Knowledge may be explicit and/or tacit, individual and/or collective

Relationship amongst Data, Information and Knowledge:

Relationship amongst Data, Information and Knowledge Data - Data is a collection of facts or events that are often out of context. Collection of some objects or results of some process are known as data. It is also known as unprocessed information. Information - When items of data are put together in a certain order & put into right context then this data becomes information. This information gives us some type of conclusion of answers or it is simply data. Knowledge - From this information we get knowledge as we

find out answers and solutions from the data that has been put into order to create information. Knowledge is the result of learning. Knowledge is the internalization of information, data, and experience.

Relationship amongst Data, Information and Knowledge:

Relationship amongst Data, Information and Knowledge An example of this relationship could be: Blood pressure of a patient is known as Data . By checking the blood pressure of the patient we can say that the patient is having high blood pressure - this is information . We are then able to conclude or get a meaningful conclusion from the blood pressure readings, so we call this information . The patient is having high blood pressure because of his family history -this conclusion is of reason of high blood pressure given by a doctor based on his experience and learning. This is then knowledge .

Stages from Data to Knowledge:

Stages from Data to Knowledge Data Information Knowledge Expertise Codifiable , explicit Easily transferable Individual, judgmental Contextual , tacit

Alternative Views of Knowledge:

Alternative Views of Knowledge Knowledge is embodied in humans as the capacity to understand, explain and negotiate concepts, actions and intentions. Knowledge is knowing, familiarity gained by experience; person's range of information; a theoretical or practical understanding of; the sum of what is known. Knowledge is what has been understood and evaluated by the knower. Knowledge is structured and organized information that has developed inside of a cognitive system or is part of the cognitive heritage of an individual.

Types of Knowledge:

Types of Knowledge Tacit knowledge Explicit knowledge Critical knowledge Embedded knowledge Formal knowledge Informal knowledge

Tacit and Explicit Knowledge:

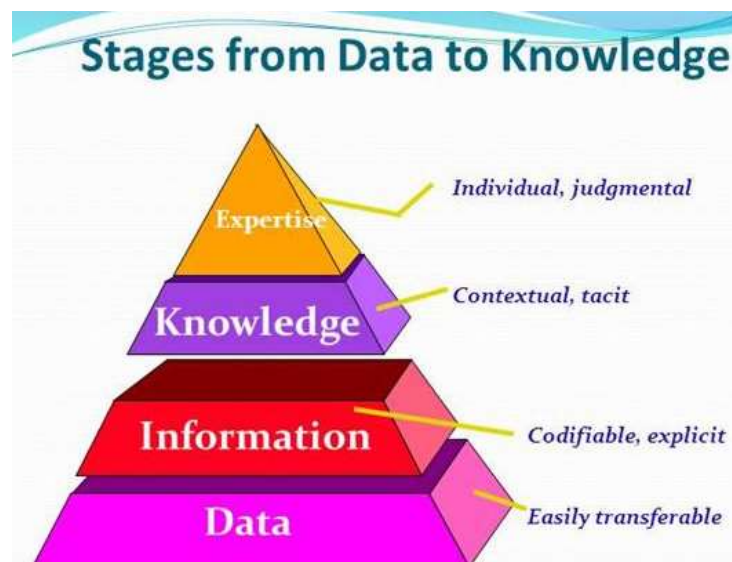
Tacit and Explicit Knowledge Tacit knowledge is often subconscious, internalized, and the individual may or may not be aware of what he or she knows and how he or she accomplishes particular results. Explicit knowledge is the visible knowledge available in the form of letters, reports, memos, books, literatures, drawings, etc. Explicit knowledge can be embedded in objects, rules, systems, methods etc. Tacit knowledge is what is in our heads, and explicit knowledge is what we have codified.

What is Knowledge Management? :

What is Knowledge Management? Knowledge Management can be defined as: Capturing, storing, retrieving and distributing tangible Knowledge Assets such as copyrights patents and licenses. Gathering, organizing and disseminating intangible knowledge, such as professional know how and expertise, individual insight and experience, creative solutions and the like, brands, technology. Creating an interactive learning environment where people readily transfer and share what they know, internalize it and apply it to create new knowledge.

The nature of knowledge management alternative views of knowledge

Knowledge management is essentially about getting the right knowledge to the right person at the right time. This in itself may not seem so complex, but it implies a strong tie to corporate strategy, understanding of where and in what forms knowledge exists, creating processes that span organizational functions, and ensuring that initiatives are accepted and supported by organizational members. Knowledge management may also include new knowledge creation, or it may solely focus on knowledge sharing, storage, and refinement.



It is important to remember that knowledge management is not about managing knowledge for knowledge's sake the overall objective is to create value and to leverage, improve, and refine the firm's competences and knowledge assets to meet organizational goals and targets. Implementing knowledge management thus has several dimensions including"

Organizational: The right processes, environments, culture, and systems

Managerial / Leadership: The right focus, strategy, implementation, etc

Cultural: The organizational culture, as well as national culture for multinational firms, influences the way people interact, the context within which knowledge is created, the resistance they will have towards certain changes, and ultimately the way they share or the way they do not share\$ knowledge.

Technological: The right systems, tools, and technologies of properly implemented.

Political: The support to implement and sustain initiatives that involve virtually all organizational functions that may be costly to implement both from the perspective of time and money and which often do not have a directly visible return on investment

Rise of the knowledge worker.

I think we can agree Peter Drucker was correct back in 1959, when he first coined the term "knowledge worker" and predicted their rise in his book, Landmarks of Tomorrow. He is often viewed as the founder of modern management, highly regarded for his Landmarks of Tomorrow observational forecasts on global socio economics. In many of his publishing's, he adeptly predicted the rise of the knowledge worker, believing that this new class of worker would reshape the core of modern business. Mr. Drucker considered their productivity to be the next frontier of management.

- Knowledge Workers
- Learning Organizations
- Collective Learning
- Systems Thinking
- Intrepreneurship and Innovation
- Perpetual Organizational Change



There are 5 Ways to Boost Knowledge Worker Utilization and Productivity:

1. **Keep Track of Time** -This simple steps is often not done within many organizations but there should always be some method in place to record, review and report on where time was spent.

2. **Clearly Define Expectations** - Both management and customer expectations should be well defined from the outset. When Knowledge Workers better understand what is needed from them they are in a better position manage their own time and communicate potential challenges.
3. **Cultivate Collaboration** - As Peter Drucker predicted, thanks to advancements in technology today's Knowledge Workers have the ability to operate as a network or a hive. By removing the constriction of communication, they're able to easily share new ideas and viewpoints benefiting their common goals. Champion this methodology and provide the tools to make it even easier.
4. **Provide Delegation Partners** - Your specialized Knowledge Workers have an intimate understanding of the challenges they'll face on the path to delivery. They also know which low-value tasks will cause them distraction and delay. Establish a channel with an internal or external delegation partner which allows them to easily hand off specific tasks they know will become a bottleneck preventing them from completing initiatives more efficiently.
5. **Maintain Accountability** - Management must do everything possible to not waiver from specified objectives. Consistently holding resources accountable for defined expectations is not only the best way to keep initiatives on track but it also helps to maintain the structural relationship between the Manager and the Knowledge Worker.

In 1959, He Predicted the Future

- Peter Drucker proposed major changes in society would come from distribution of information
- He also predicted the most significant and largest work group in modern organizations would be knowledge workers
- Knowledge workers would, through position or knowledge, contribute materially to the ability of organizations to perform and achieve organizational goals

Knowledge Worker Model

- Well trained in soft skills
- Deep in education and experience
- Empowered, collaborative
- Considered experts
- Prefer teaming over teams
- Manage themselves, approach issues with candor

- Spend third of the time looking for more knowledge

Types of knowledge:

The Different Types of Knowledge

Understanding the different forms that knowledge can exist in, and thereby being able to distinguish between various types of knowledge, is an essential step for knowledge management (KM). For example, it should be fairly evident that the knowledge captured in a document would need to be managed (i.e. stored, retrieved, shared, changed, etc.) in a totally different way than that gathered over the years by an expert craftsman.

Over the centuries many attempts have been made to classify knowledge, and different fields have focused on different dimensions. This has resulted in numerous classifications and distinctions based in philosophy and even religion. Though not directly related to our purpose here, the wikipedia article on knowledge provides some interesting background reading (go to article).

Within business and KM, two types of knowledge are usually defined, namely explicit and tacit knowledge. The former refers to codified knowledge, such as that found in documents, while the latter refers to non codified and often personal/experience-based knowledge.

KM and organisational learning theory almost always take root in the interaction and relationship between these two types of knowledge. This concept has been introduced and developed by Nonaka in the 90's (e.g. Nonaka 1994) and remains a theoretical cornerstone of this discipline. Botha et al (2008) point out that tacit and explicit knowledge should be seen as a spectrum rather than as definitive points. Therefore in practice, all knowledge is a mixture of tacit and explicit elements rather than being one or the other. However, in order to understand knowledge, it is important to define these theoretical opposites.

Some researchers make a further distinction and talk of embedded knowledge. This way, one differentiates between knowledge embodied in people and that embedded in processes, organizational culture, routines, etc. (Horvath 2000). Gamble and Blackwell (2001) use a scale consisting of represented-embodied-embedded knowledge, where the first two closely match the explicit-tacit.

Without question, the most important distinction within KM is between explicit and tacit knowledge. However, I find that the embedded dimension is a valuable addition, since the managerial requirements for this type of knowledge are quite different. For this reason, the discussions on this site will, when relevant, use all three categorizations of knowledge but the focus will always be primarily on the explicit-tacit dimension.

Below I present an overview of these three categories, as well as a short discussion on the way knowledge management systems (KMS) can/cannot be used to manage them.

Explicit Knowledge

This type of knowledge is formalized and codified, and is sometimes referred to as know-what (Brown & Duguid 1998). It is therefore fairly easy to identify, store, and retrieve (Wellman 2009). This is the type of knowledge most easily handled by KMS, which are very effective at facilitating the storage, retrieval, and modification of documents and texts.

From a managerial perspective, the greatest challenge with explicit knowledge is similar to information. It involves ensuring that people have access to what they need; that important knowledge is stored; and that the knowledge is reviewed, updated, or discarded.

Many theoreticians regard explicit knowledge as being less important (e.g. Brown & Duguid 1991, Cook & Brown 1999, Bukowitz & Williams 1999, etc.). It is considered simpler in nature and cannot contain the rich experience based know-how that can generate lasting competitive advantage.

Although this is changing to some limited degree, KM initiatives driven by technology have often had the flaw of focusing almost exclusively on this type of knowledge. As discussed previously, in fields such as IT there is often a lack of a more sophisticated definition. This has therefore created many products labeled as KM systems, which in actual fact are/were nothing more than information and explicit knowledge management software.

Tacit Knowledge

This type of knowledge was originally defined by Polanyi in 1966. It is sometimes referred to as know-how (Brown & Duguid 1998) and refers to intuitive, hard to define knowledge that is largely experience based. Because of this, tacit knowledge is often context dependent and personal in nature. It is hard to communicate and deeply rooted in action, commitment, and involvement (Nonaka 1994).

Tacit knowledge is also regarded as being the most valuable source of knowledge, and the most likely to lead to breakthroughs in the organization (Wellman 2009). Gamble & Blackwell (2001) link the lack of focus on tacit knowledge directly to the reduced capability for innovation and sustained competitiveness.

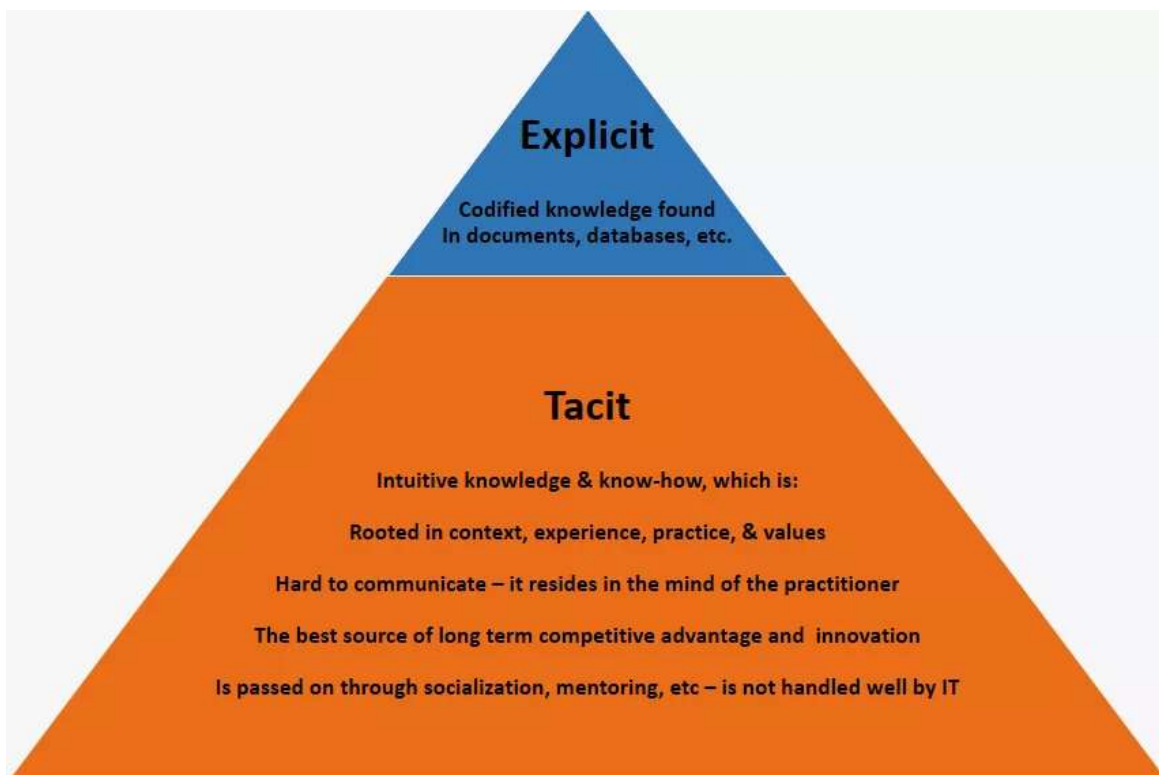
KMS have a very hard time handling this type of knowledge. An IT system relies on codification, which is something that is difficult/impossible for the tacit knowledge holder.

Using a reference by Polanyi (1966), imagine trying to write an article that would accurately convey how one reads facial expressions. It should be quite apparent that it would be near impossible to convey our intuitive understanding gathered from years of experience and practice. Virtually all practitioners rely on this type of knowledge. An IT specialist for example will troubleshoot a problem based on his experience and intuition. It would be very difficult for him to codify his knowledge into a document that could convey his know-how to a beginner. This is one reason why experience in a particular field is so highly regarded in the job market.

The exact extent to which IT systems can aid in the transfer and enhancement of tacit knowledge is a rather complicated discussion. For now, suffice it to say that successful KM initiatives must place a very strong emphasis on the tacit dimension, focusing on the people and processes involved, and using IT in a supporting role.

Tacit knowledge is found in: the minds of human stakeholders. It includes cultural beliefs, values, attitudes, mental models, etc. as well as skills, capabilities and expertise (Botha et al 2008). On this site, I will generally limit tacit knowledge to knowledge embodied in people, and refer separately to embedded knowledge (as defined below), whenever making this distinction is relevant.

Different types of knowledge



Embedded Knowledge

Embedded knowledge refers to the knowledge that is locked in processes, products, culture, routines, artifacts, or structures (Horvath 2000, Gamble & Blackwell 2001). Knowledge is embedded either formally, such as through a management initiative to formalize a certain beneficial routine, or informally as the organization uses and applies the other two knowledge types.

The challenges in managing embedded knowledge vary considerably and will often differ from embodied tacit knowledge. Culture and routines can be both difficult to understand and hard to change. Formalized routines on the other hand may be easier to implement and management can actively try to embed the fruits of lessons learned directly into procedures, routines, and products.

IT's role in this context is somewhat limited but it does have some useful applications. Broadly speaking, IT can be used to help map organizational knowledge areas; as a tool in reverse engineering of products (thus trying to uncover hidden embedded knowledge); or as a supporting mechanism for processes and cultures. However, it has also been argued that IT can have a disruptive influence on culture and processes, particularly if implemented improperly.

Due to the difficulty in effectively managing embedded knowledge, firms that succeed may enjoy a significant competitive advantage.

Embedded knowledge is found in: rules, processes, manuals, organizational culture, codes of conduct, ethics, products, etc. It is important to note, that while embedded knowledge can exist in explicit sources (i.e. a rule can be written in a manual), the knowledge itself is not explicit, i.e. it is not immediately apparent why doing something this way is beneficial to the organization.

Location of knowledge:

Location of knowledge and rise of knowledge worker

1. Location of Knowledge By Dr. G C Mohanta, Professor, Al-Qurmoshi Institute of Business Management, Hyderabad, India The following diagram shows the location of knowledge. Knowledge Locations Knowledge can exist on several different levels: Individual: Personal, often tacit knowledge/know-how of some sort. It can also be explicit, but it must be individual in nature, e.g. a private notebook. Groups/Community: Knowledge held in groups but not shared with the rest of the organization. Companies usually consist of communities which are linked together by common practice.

These communities of practice (Lave & Wenger 1991) may share common values, language, procedures, know-how, etc. They are a source of learning and a repository for tacit, explicit, and embedded knowledge. Structural: Embedded knowledge found in processes, culture, etc. This may be understood by many or very few members of the organization; e.g. the knowledge embedded in the routines used by the army may not be known by the soldiers who follow these routines. At times, structural knowledge may be the remnant of past, otherwise long forgotten lessons, where the knowledge of this lesson exists exclusively in the process itself. Organizational: The definition of organizational knowledge is yet another concept that has very little consensus within literature. Variations include the extent to which the knowledge is spread within the organization, as well as the actual make-up of this knowledge. Hatch (2010) defines it as: "When group knowledge from several subunits or groups is combined and used to create new knowledge, the resulting tacit and explicit knowledge can be called organizational knowledge." Others present a broader perspective: "individual knowledge, shared knowledge, and objectified knowledge are different aspects or views of organizational knowledge.

3. Definitions, "Information internalized by means of research, study or experience that has value to the organization" (Virvou & Nakamura 2008). Organizational knowledge is therefore defined as: all the knowledge resources within an organization that can be realistically tapped by that organization. It can therefore reside in individuals and groups, or exist at the organizational level. Extra-organizational: Knowledge resources existing outside the organization which could be used to enhance the performance of the organization. They include explicit elements like publications, as well as tacit elements found in communities of practice that span beyond the organization's borders. Organizational Memory and Knowledge Repositories Traditional memory is associated with the individual's ability to acquire, retain, and retrieve knowledge. Within business this concept is extended beyond the individual, and organizational memory, therefore, refers to the collective ability to store and retrieve knowledge and information. So how does one define organizational memory? Any definition would need to span all the different repositories in which a company may store knowledge. This includes the more formal records, as well as tacit and embedded knowledge located in people, organizational culture, and processes. Walsh and Ungson (1991) offer some deeper insight into the workings of organizational memory.

They look at how an organization's history can influence current decision making. They examine how shared understandings evolve, becoming part of an organizational whole which may remain constant even after key individuals have left the firm. This is done through the formation of collective interpretations regarding the outcome of decision making. The information defining the

decision's stimulus and response is stored in information, and it affects present decisions when it is retrieved. Past experiences can be retained in any of the five different repositories: - Individuals - Culture: The language and frameworks that exist within an organization and form shared interpretations. - Transformations: The procedures and formalized systems that the organization employs. These systems reflect the firm's past experiences and are repositories for embedded knowledge. - Structures: These link the individual to other individuals and to the environment. Social interaction is conditioned by mutual expectations between individuals based on their roles within the organization. The interaction sequences for a pattern over time and begin to extend to an organizational level. This can take place both through formal and informal structure and it constitutes a social memory which stores information about an organization's perception of the environment.

3. External activities:

The surroundings of the organization where knowledge and information can be stored; e.g. former employees, government bodies, competitors, etc. Artifacts of Cooperation: These are the hard indicators which are visible and examinable. These include products, records of collaboration and ideas. The latter refers to minutes of meetings, reports, FAQs, and other items that record common knowledge. These are easily storable and presumably also more easily accessible. Knowledge of the Organization Qua Entity: This type of knowledge cannot be stored in the same way as the artifacts of cooperation. It includes knowledge of the political system, of the culture, and of how things are normally done within the firm. It can include the knowledge of who is an expert, of where a particular person is, and on who to contact for a specific problem. Rise of Knowledge Worker What is Knowledge Work? Key features of knowledge work are as follows: Basic task in knowledge work is thinking - it is mental work which adds value to work. It involves activities such as analysing, solving problems, deriving conclusions & applying these conclusions to other situations. Thinking involved in knowledge work is not a step-by-step linear mental work. Thinking should be non-linear for creation. It uses knowledge to produce more knowledge. Knowledge work is more than mere application of known knowledge. Outcome of knowledge work is creation of new knowledge. Who is Knowledge Worker? One who is a non-manual worker & employed by firms to carry out innovative activities. He uses knowledge to be more productive. He is a person who works for a living at the tasks of developing or using knowledge. He does planning, acquiring, searching, analysing, organising, storing, programming, distributing & marketing. He uses his brain to accomplish his task. He has been schooled to use knowledge, theory & concept, rather than physical force/manual skill. He uses his intellect to

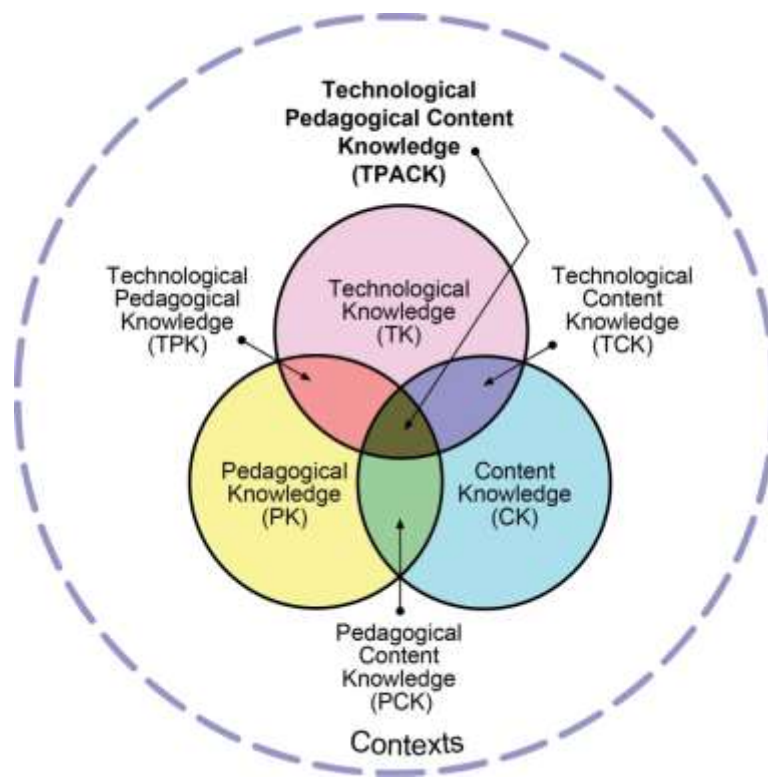
convert his ideas into products, services or processes. He creates knowledge, knows how to tap & share it, reuses it whenever necessary & works against a deadline. He is a problem solver. He uses his intellect rather than manual skills to earn a living. He is an individual who needs high level of autonomy. He is a manipulator of symbols & paid for quality of judgement rather than speed of work. He uses unique processes for his creation. He possesses un-codified knowledge which is difficult to duplicate. He sources between his ears. He uses knowledge & information to add to deeper knowledge & information. What are Characteristics of Knowledge Worker? Knowledge work is complex, requires certain skills, abilities & familiarity with actual & theoretical knowledge. Knowledge workers need following characteristics:

4. (i) Possessing factual & theoretical knowledge, (ii) Finding & accessing information, (iii) Ability to apply information, (iv) Communication skills, (v) Motivation & (vi) Intellectual capabilities. Possessing Factual & Theoretical Knowledge Knowledge workers are conversant with specific factual & theoretical information. College Faculty possesses information regarding specialized subject matter, teaching strategies & learning theories. Sales Representative has factual knowledge of product he sells & theoretical knowledge to create interest in the product by customers. Prospective knowledge workers need years of formal education for mastery to enter into a field of work. They will be acquiring additional information on a continual basis. Finding and Accessing Information Operations of today's information society depends on knowledge that is continually growing & changing. Distribution of information has become a problem as employees need massive amount of information. Knowledge workers should know how to identify & find such information. They need to know which sources provide the information they need. How to use these sources in order to locate information successfully. Ability to Apply Information Knowledge workers use information to answer questions, solve problems, complete writing assignments & generate ideas. They use analogical reasoning & relevance judgment to address successfully personal & customer related issues. Analogical reasoning is a knowledge-based problem-solving processes in which information from precedents are applied to new situations. Relevance judgment is the process by which individuals decide whether or not a precedent is applicable to Problem at hand. The non-repetitive nature of knowledge workers' jobs makes crucial his ability to apply information to new situations. Communication Skills Emphasis on quality customer service & customization of goods & services to meet customers' needs brings knowledge workers into close contact with customers. Successful knowledge workers can present clearly in spoken & written word, both factual & theoretical information. The goals of organizational effectiveness & continual improvement of products, require communication

between supervisor & supervised & among team mates or colleagues. Knowledge Workers possess communication skills that enable them to collaborate with one another for goal-setting, decision-making & idea generation. Motivation Nature of knowledge work requires continual growth, in terms of mastery of information & skill development on the part of knowledge worker. Knowledge workers must become & remain interested in finding information, memorising that information and applying it to their work. New technological developments call on knowledge workers to change continuously the way they accomplish their work. They must maintain a desire to apply their talents toward incorporating new information & new technologies into their work. Intellectual Capabilities Knowledge workers must have intellectual capabilities for understanding, recall, processing & application of specialized information. Persons who perform knowledge work must possess the abilities needed to acquire appropriate communication skills. To learn how to figure out where and how information can be located. To learn how to perform abstract reasoning. To have intellectual capacity to understand value of acquiring & maintaining knowledge & skills needed to accomplish their work.

5. Skill Sets Required for Knowledge Workers Basic Skills: To read, write, calculate & operate basic computer applications. Communication Skills: To use verbal, written & presentation skills for the purposes of negotiation, persuasion, facilitation, coaching & mentoring. Analytical Skills: To Think, analyze, solve problems, assess situations, evaluate & implement suggestions. Human and Behavioral Skills: To cooperate with others, and work in teams. Information – Literacy Skills: To locate, gather, analyze and organize information. Learning Skills: To adapt to a range of situations, take risks, formulate and champion a vision, learn independently, exercise responsibility, innovate , generate knowledge & use knowledge. Reading for Information: Skill in reading & understanding written work-related instructions & policies. Locating Information: Skill in interpreting & using workplace graphics, such as, diagrams, floor plans, tables, forms, graphs, charts, and instrument gauges. Applied Mathematics: Skill in applying mathematical reasoning to a variety of work-related problems. Applied Technology: Skills in solving problems of a technological nature, such as, applying principles of mechanics, electricity & electronics, thermodynamics, computer technology, fluid dynamics, networking, integration to machines and systems, etc.
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Roles Knowledge workers bring benefits to organizations in a variety of ways. These include:

- analyzing data to establish relationships
- assessing input in order to evaluate complex or conflicting priorities
- identifying and understanding trends

- making connections
- understanding cause and effect
- ability to brainstorm, thinking broadly (divergent thinking)
- ability to drill down, creating more focus (convergent thinking)
- producing a new capability
- creating or modifying a strategy

Features of Knowledge Intensive Firm (KIF).

Knowledge Intensive Firms (KIF) In knowledge intensive firms, Most of the work is of intellectual nature Well-educated, qualified, highly skilled employees form the major part of the work force Work processes creating market value, are through knowledge Intellectual capital is deployed for innovation, initiative and competence building and to provide custom made services Knowledge intensive products and services are produced, Knowledge Intensive Firms (Contd.) The following are KIFs: Law & accounting firms Management, engineering & computer consultancy companies Advertising agencies R&D units High tech companies and Biotechnology firms.

Key Features Key resource in KIFs is intellectual capital/intellectual material – knowledge, information, intellectual property, experience These can be put to use to create wealth In KIFs knowledge has more importance than other inputs and human capital dominates A knowledge intensive company makes money through the knowledge of its people. Knowledge Intensive Firms: Key Features (Contd.) Application of expertise makes an important contribution in KIFs KIF must have capacity to solve complex problems through creative and innovative solutions Novel & complex work processes involving problem solving are the indicators of KIFs Innovation, initiative & competence building are the important aspects in KIFs The tacit knowledge is the prime driver for value creation in KIFs. 6 Knowledge Intensive Firms: Key Features (Contd.) KIFs employ highly skilled individuals They create market value through application of knowledge to novel, complex client demands Knowledge, skills and experience of staff are vital to the development of intellectual capital Knowledge is often tacit, difficult to imitate Both knowledge stocks & flows are important in KIFs KIFS rely on the creation, transfer and integration of knowledge. 7 Knowledge Intensive Firms: Key Features (Contd.) KIFs form Project teams which are very important and based around clients and customers, Outputs are often tailored to client and customer needs Clients and customers place pressure on the firm for innovative products & services Often members of

networks are operating across boundaries, Key Processes in knowledge Intensive Firms HR Strategy HR Structure HR Delivery Resourcing - recruitment, selection & allocation of staff Job design and work organisation Training and Development Performance Management Systems Pay and Reward Involvement and Participation.

Key processes in knowledge intensive firms.

Key Processes in knowledge Intensive Firms HR Strategy HR Structure HR Delivery Resourcing - recruitment, selection & allocation of staff Job design and work organisation Training and Development Performance Management Systems Pay and Reward Involvement and Participation

- HR Strategy
- HR structure
- HR delivery
- Resourcing: Recruitment & Selection
- Allocation of staff
- Job Design and Work Organisation
- Training and Development
- Performance Management systems
- Pay and Reward
- Involvement and Participation
- Network working
- Factors Affecting Knowledge Intensive Firms
- Challenges for Managing People and Managing Knowledge
- Conclusions and Implications

Rise of the knowledge worker

The Rise of the Knowledge Economy

The rise of the knowledge worker has been helped by the rise of the knowledge economy or the sector that comprises of Information Technology, Business Process Outsourcing, Financial Services, and other forms of work that deal with knowledge as the basis of work. Even doctors, lawyers, and other fields use

knowledge as the basis of their occupations; the knowledge economy usually does not include these sectors.

With globalization and the opening up of the global economy, there has been a concomitant rise in the services sector. Along with this, the knowledge economy has also been helped by the decline in manufacturing in the West and the increase in the contribution of the services sector to the Gross Domestic Product of most countries. Indeed, in many countries (including India but not China), the services sector contributes more than half to the economic output in the country.

Managing Knowledge Workers

There are significant differences in the management of traditional workers and knowledge workers. First, the knowledge workers are less inclined to be hierarchical and hence, they prefer openness and a flat organizational structure. Second, they have relatively more control over their work than traditional workers do as they have more control over the processes that define their work. Third, they have higher salaries and hence are prone to lead consumerist lifestyles as opposed to the workers in manufacturing or other sectors. Fourth, they are also prone to burnout and stress related ailments, as the pressure to deliver and perform is more on them. Finally, they change jobs more frequently than other workers do and it has been shown that whereas the previous generation worked all their lives in one or two companies, knowledge workers are likely to hop several jobs during their careers.

These aspects make the management of knowledge workers a specialized function and hence, in many services sector companies, the Human Resource Function is staffed by those professionals who have had previous experience in managing knowledge workers.

Closing Thoughts

The transition from agrarian or manufacturing or a combination of both economy to knowledge economy has been the defining economic event of the last few decades. While this transition has not been without hiccups, it can be said that the rise of the knowledge worker has resulted in a churning in the economies of the West where they are celebrated for their innovation and inventiveness. There have been large scale socioeconomic and political changes as well that accompanied the rise of the knowledge worker.

Features and Key Processes in Knowledge Intensive Firms :

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Key Processes in knowledge Intensive Firms :

Key Processes in knowledge Intensive Firms HR Strategy HR Structure HR Delivery Resourcing - recruitment, selection & allocation of staff Job design and work organisation Training and Development Performance Management Systems Pay and Reward Involvement and Participation

HR Strategy:

HR Strategy Vertical fit – The alignment of HRM practices with the strategic management process of the firm, developing vertical fit with competitive strategy: refining existing knowledge relying on organisational capital exploring new knowledge & reliance on human capital Horizontal fit – a congruence among various HRM practices, fitting HR practices together to support competitive strategy: Refining knowledge, Providing incentives needed to share knowledge, Exploring & emphasising on external recruitment and internal development

HR structure:

10 HR structure Importance of human capital devoted to HR Role of the human capital in strategic HR decision making Contrasting the strategic role and the operational role

HR delivery:

11 HR delivery Delivery of HR is routinely in the hands of line managers Key role in how employees actually perceive these HR practices Importance of support provided for line managers for their implementation role Key messages conveyed regarding the culture and values of the organisation

Resourcing: Recruitment & Selection :

12 Resourcing: Recruitment & Selection Resourcing – major influence on the performance of the firm – direct impact on human and social capital Recruitment: range of methods – elite sources, informal referral (incentivised), drawing on client and network capital plus traditional Selection: direct impact on social capital – values driven approaches, selection for potential – e.g., of ‘High Trust’

Allocation of staff:

13 Allocation of staff Difficult and time consuming issue – conflictual – key issue – variations in the extent to which HR issues are considered Direct impact on human and social capital – e.g., development opportunities for staff Matching the needs of clients (want the best staff), staff (who want interesting & challenging work) and the firm (which want to make a profit) Critical role for HR – but often have very limited influence

Job Design and Work Organisation:

14 Job Design and Work Organisation Links back to the strategy of the firm – customised solutions – often broad jobs – repetitive solutions – narrower more specialist jobs Design of jobs – major impact on development of human capital Interacts with selection criteria – e.g., select for potential and broad job design Work organisation reflects structural capital – e.g., flat or tall triangles

Training and Development:

15 Training and Development Fundamental importance for all knowledge intensive firms – impact on most forms of capital Staff often have high interest in developing their knowledge Work based learning often key to development – tacit knowledge – e.g., in ‘High Trust’ Mix of formal programmes and more developmental work Places stress on the coaching and feedback skills of line managers Learning and development also across organisational boundaries e.g., involving external associates

Performance Management systems:

16 Performance Management systems Key role in stimulating development of human capital Staff often very sensitive to these systems – judgements of their own personal worth Often difficult to measure outputs Wide variations in practices – dependent on HR practices and line manager role 17 Performance Management systems (Contd.) Conveys powerful messages about what is valued within the firm Impact on various behaviours Time spent on new business development may not be rewarded Individualistic approach encouraged – unwillingness to collaborate with others can inhibit knowledge sharing

Pay and Reward:

18 Pay and Reward Pay & reward have important influence on employee behaviour – these signals what the firm values Bases for reward: job, person or performance Seniority based systems – may conflict with reward for current performance Team based pay – builds social capital Individual based pay – linked to a more fragmented approach – may damage social capital

Involvement and Participation:

19 Involvement and Participation These have direct effect on human & social capital Ability to become involved in key firm decisions, this generates commitment and loyalty to the firm Participation in day-to-day decision making , e.g., allocation of work Contribution to the design of HR practices

Network working:

20 Network working Clients Suppliers Partners Regulators KIF

PowerPoint Presentation:

21 Converting Human Capital into Intellectual Capital Human Capital Employee Knowledge Skills Experience Conversion Process Intellectual Capital Human Capital Role of HR practices in this conversion process Products and services which have market value

Factors Affecting Knowledge Intensive Firms:

22 Factors Affecting Knowledge Intensive Firms Product market - Customers and clients Financial success – short and long term Employment market – needs of employees KIF (Maister, 2003)

PowerPoint Presentation:

23 Intellectual Capital Human capital Social capital Structural capital Network Capital Client Capital Organizational Capital Forms of Capital Knowledge skills and experience of staff Knowledge embedded in values, culture and relationships Ways of structuring work Procedures, policies and processes Knowledge of and relationships with clients Knowledge of and relationships with network members 24 Human capital Social capital Structural capital Network Capital Client Capital Organizational Capital Intellectual Capital Resourcing Job and Work Design Training and Development Pay and Reward Performance Management Involvement Delivery Strategy Structure HR Wheel Kinnie et al 2006

Challenges for Managing People and Managing Knowledge:

25 Challenges for Managing People and Managing Knowledge Renew knowledge if going to be successful Employees want challenging jobs and opportunities to develop Dilemma over development – risk losing staff if develop and if don't develop them Management of employees affected by external factors – e.g., clients Ability to manage staff who are not employees 26 Challenges for Managing People and Managing Knowledge (Contd.) Focus on practices especially attraction, development and retention Implementation of skills and knowledge plus implementation of practices which is important Broaden focus of attention to look at range of resources/forms of capital Distinguish between stocks and flows of capital

Conclusions and Implications:

27 Conclusions and Implications Knowledge intensive firms present managers with a series of HR challenges Key role of human capital in these firms means that HR practices will be central to success HR practitioners can struggle to make their voice heard Client and financial performance issues often loom large – despite key role of staff 28 Conclusions and Implications (Contd.) Managing people and knowledge lie at the heart of the success of these firms Requires the adoption of a knowledge-based HR strategy How does HR strategy and practices impact on the stocks and flows of knowledge in the firm?

UNIT – IV

KNOWLEDGE MANAGEMENT

Framework of Hansen earl's seven schools of knowledge management alvesson and karreman's knowledge management approaches. Knowledge management solutions, mechanisms and systems. Knowledge management infrastructure.

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Framework of Hansen earl's seven schools of knowledge management alvesson and karreman's knowledge management approaches.

Knowledge Management Framework of Hansen By Dr. G C Mohanta, Professor, Al-Qurmoshi Institute of Business Management, Hyderabad, India Hansen identified two strategies for managing knowledge in an organization: codification and personalization strategies. The type of knowledge management strategy used by organisations needs to best accommodate the way individuals create and transfer knowledge. The types of relationships or ties between individuals in the organisations, when creating and sharing knowledge, influences the type of knowledge management strategy used. In developed social groups, such as, "communities of practice", where knowledge is created and shared informally, the use of the personalization strategy would best complement this type of knowledge transfer. Where social ties are weak and there is little social interaction between individuals; technology is the most utilised form of information creation and transfer, and ultimately the use of a codification strategy would be most appropriate.

How Consulting Firms Manage Their Knowledge

CODIFICATION		PERSONALIZATION
<p>Provide high-quality, reliable, and fast information-systems implementation by reusing codified knowledge.</p>	Competitive Strategy	<p>Provide creative, analytically rigorous advice on high-level strategic problems by channeling individual expertise.</p>
<p>REUSE ECONOMICS: Invest once in a knowledge asset; reuse it many times. Use large teams with a high ratio of associates to partners. Focus on generating large overall revenues.</p>	Economic Model	<p>EXPERT ECONOMICS: Charge high fees for highly customized solutions to unique problems. Use small teams with a low ratio of associates to partners. Focus on maintaining high profit margins.</p>
<p>PEOPLE-TO-DOCUMENTS: Develop an electronic document system that codifies, stores, disseminates, and allows reuse of knowledge.</p>	Knowledge Management Strategy	<p>PERSON-TO-PERSON: Develop networks for linking people so that tacit knowledge can be shared.</p>
<p>Invest heavily in IT; the goal is to connect people with reusable codified knowledge.</p>	Information Technology	<p>Invest moderately in IT; the goal is to facilitate conversations and the exchange of tacit knowledge.</p>
<p>Hire new college graduates who are well suited to the reuse of knowledge and the implementation of solutions. Train people in groups and through computer-based distance learning. Reward people for using and contributing to document databases.</p>	Human Resources	<p>Hire M.B.A.s who like problem solving and can tolerate ambiguity. Train people through one-on-one mentoring. Reward people for directly sharing knowledge with others.</p>
Andersen Consulting, Ernst & Young	Examples	McKinsey & Company, Bain & Company

Those that implement a codification strategy will invest heavily into IT to codify, store and transfer explicit knowledge to all those within the organisation, while a personalisation strategy will require far less IT investment as technology is only required to facilitate social relationships within the organization. In the study of strategies used by consultancy firms (shown in figure above), Hansen found out that the best thing is to choose for either a personalization or a codification strategy and not both. The strategy chosen should reflect the company's competitive strategy. If a consulting company has a focus on giving tailored and creative advice then a personalization strategy is the best choice. A codification strategy is more useful when knowledge can be reused often. The observation of Hansen is given below in the figure.

The general conclusion on KM strategies is that companies should not 'straddle' when choosing for a KM strategy but instead the focus should be on just one of the two strategies, otherwise companies run the risk of getting 'stuck in the middle'. Earl's Seven Schools of Knowledge Management Instead of using the division - personalization/codification, Earl proposed seven schools of knowledge management strategy: Systems, Cartographic, Engineering, Commercial, Organisational, Spatial and Strategic. These schools identify the types of knowledge management strategy undertaken by organisations. Earl categorises these seven schools into three broad types: Technocratic, Economic and Behavioural. Technocratic schools approach knowledge management through information or management technologies that support and condition employees in their everyday tasks. Economic schools aim to explicitly create revenue through the exploitation of knowledge as an asset. The Behavioural schools approach knowledge management from a behavioural perspective, stimulating and orchestrating managers and managements to proactively create, share and use knowledge resources.

School/ Attribute	Focus	Technology	Maps	Processes	Income	Networks	Space	Mindset	Aim	Knowledge Bases	Knowledge Directories	Knowledge Flows	Knowledge Assets	Knowledge Pooling	Knowledge Exchange	Knowledge Capabilities	Philosophy
Technocratic	Information or management technologies																
Economic	Explicitly create revenue through knowledge as an asset																
Behavioural	Stimulating and orchestrating managers and managements																

Three schools: the systems school, the cartographic school and the engineering school are all grouped under this name. They are all based on information or management technologies, in different degrees, that help the work of employees in their daily tasks. The fundamental idea in systems school, is to capture specialist knowledge in knowledge bases that other specialist or qualified people can access. The cartographic school, is concerned with mapping organizational knowledge. It aims to record and disclose who in the organization knows what by building knowledge directories. Often called 'yellow pages', the principal idea is to make sure knowledgeable people in the organization are accessible to others for advice, consultation or knowledge exchange. The engineering school is based on two ideas: (i) Performance of business processes can be enhanced by providing operating personnel with knowledge relevant to their tasks. (ii) Management processes are inherently more knowledge-intensive than business processes.

Mode of Interaction	Co-ordination:	Control: `strong` management
Social: attitude centered	COMMUNITY: Sharing of ideas	NORMATIVE CONTROL: Prescribed interpretations
Technostructural: behaviour focussed	EXTENDED LIBRARY: Information exchange	ENACTED BLUEPRINTS: Templates for action

Alvesson and Kärreman identified four distinctive knowledge management orientations that prevail in theory and practice in an organisation. These four orientations arise in two dimensions: the mode of interaction (social or techno-structural) and the domain of management intervention (coordination or control), which leads to a matrix as shown below:

Socio-Cultural Aspects of Knowledge Management

Mode of Managerial Intervention	Mode of Interaction	Co-ordination: `weak` management	Control: `strong` management
Social: attitude centered	COMMUNITY: Sharing of ideas	NORMATIVE CONTROL: Prescribed interpretations	
Technostructural: behaviour focussed	EXTENDED LIBRARY: Information exchange	ENACTED BLUEPRINTS: Templates for action	

Knowledge Management as Extended Libraries This type of knowledge management involves extensive use of the available technology (databases, advanced search systems, sophisticated communication systems, etc.). It involves blending a company's internal and external information and turning it into actionable knowledge via a technology platform. Here, knowledge management is basically a process that is carried out by a central unit, responsible for gathering, synthesizing and integrating more or less idiosyncratic work and project experiments for developing knowledge, in the form of methodologies that guide future work. Such methodology can be used through regulations and prescriptions for working. The Extended Library approach to knowledge management combines behavioural focused controls with a relatively weak form of co-ordinated management and represents a relatively bureaucratic, centrally controlled and top down form of knowledge management in which IT systems (such as knowledge data bases) play an important role.

Knowledge Management as Community In this approach, the community is recognized as a fundamental context for sharing knowledge. Management copes with diversity and encourages knowledge sharing through influencing workplace climate.

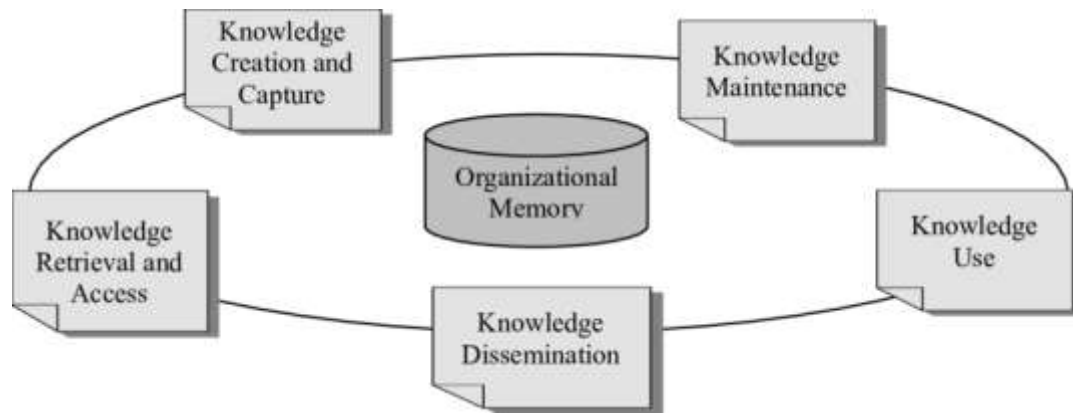
Discussions on Objective Knowledge Objective organizational knowledge is a cognitive possession and commodity; it is static, taxonomic and positivistic. Knowledge types are categorized according to these asset-based characteristics, while the unit of knowledge is emphasized over the knowing action [2,15-17]. Organizational knowledge is objectified most succinctly through the categorization of knowledge. In addition to tacit, implicit and explicit [18], other ways to categorize knowledge types include declarative, procedural and causal; conditional and relational [17,19]; know-about, know-how, know-why, know-when and know-with [15]. Chiva and Alegre [20] refer to objective knowledge in terms of representation and cognitive possession. The empirical qualities of knowledge are the main focus of this objective view that knowledge is emphasized as something that can be possessed by both people and organizations [2,14,21,22]. The perceived ease of transfer, representation and measurement [20] afforded by the objective view has fuelled in many respects knowledge strategy literature's fixation with the externalization of knowledge and a subsequent focus on knowledge management systems [23]. Blacker [24] summarizes the traditional or objective approaches to organizational knowledge as offering, "a compartmentalized and static approach to the subject" (p. 1021). In their critique of contemporary approaches to knowledge management, Alvesson and Kärreman [25] refer to knowledge management literature's prevailing view of knowledge as "objective (justified true belief) and thing-like" (p. 999). Likewise Sawhney and Prandelli [26] view the objective epistemology of knowledge as being overly concerned with understandings of the validity of knowledge. Polanyi's [18] tacit, implicit and explicit characterizations of knowledge remain the most cited in organizational and knowledge management literatures. His work, however, has been somewhat misrepresented by proponents of the objective view; for example Nonaka and Takeuchi's [22] SECI model regards knowledge as having the ability to pass from tacit to explicit devoid of context.

	Duality	Dualism
	Dialogic discourse:	Critical discourse:
	Metaphor of knowledge: Discipline	Metaphor of knowledge: Power
Dissensus	Role of knowledge in organizations: Deconstruction of totalising knowledge claims, creation of multiple knowledges	Role of knowledge in organizational underclass: Reformation of social order
	Theories: Post structuralist, feminist theories, post-modern theories	Theories: Labour process
	Constructive Discourse:	Neo-functionist discourse:
	Metaphor of knowledge: Mind	Metaphor of knowledge: Asset
Consensus	Role of knowledge in organizations: Recovery of integrative values, generation of understanding	Role of knowledge in organizations: Progressive enlightenment, prediction, optimal allocation of resources
	Theories: Structuration theories, theories of practice, sense making, actor network theory.	Theories: resource-based view of firm, transaction cost theory, information processing theory, contingency theory.

Four challenges associated with knowledge management can be thus

identified:

- (i) a technical one of designing human and information systems that make information available and help people think together,
- (ii) a social challenge of developing communities that share knowledge and maintain diversity,
- (iii) a management challenge to create an environment that truly values sharing knowledge,
- (iv) a personal challenge of being open to the ideas of others and to share ideas. The Community approach to knowledge management combines culture based socially focused controls with a weak form of management.



This approach to knowledge management gives a very limited role to IT systems, focusing instead around encouraging the direct sharing of knowledge between people. Management efforts with this approach are focused on creating a climate, culture and context to induce such behaviours. Knowledge Management as Normative Control The Normative Control approach to knowledge management combines socially focused controls with a relatively strong form of management intervention. This is knowledge management via culture management, whereby management attempt to create a culture that encourages employees to embrace a value system which regards knowledge sharing as a norm. Knowledge Management as Enacted Blueprints This type of knowledge management considers the orchestrated character of knowledge management as normative control, but attempts to engineer and control individuals closer to the behavioural level, rather than concentrating on values and ideas. Another important idea is that organizational knowledge can be extracted from individuals and converted into databases. The stored knowledge provides templates for thinking as well as action, thus making relatively unskilled workers productive on a higher skill-level more or less instantaneously. The Enacted Blueprints approach combines a strong form of managerial intervention with behavioural controls. This involves managerial efforts being concerned with creating codified data bases of knowledge focused around particular roles and tasks that provide a mechanism for giving employees access to what are considered a set of best practices.

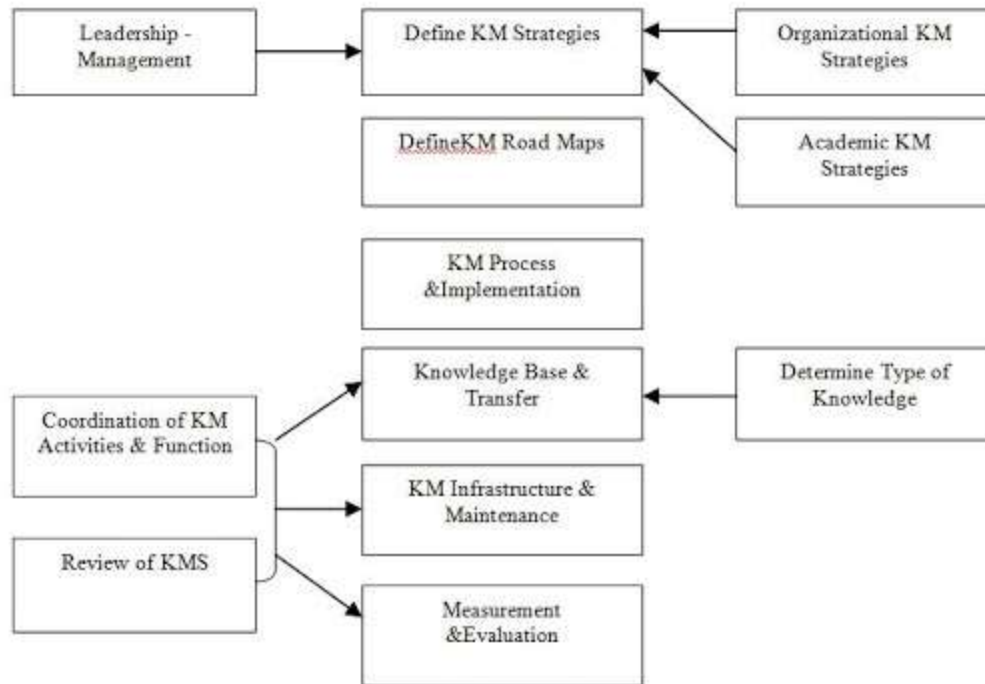


Figure1: implementation model

Knowledge management solutions, mechanisms and systems.

In this section the various processes used to manage knowledge including processes for applying knowledge, processes for capturing knowledge, processes for sharing knowledge, and processes for creating knowledge will be discussed.

KM processes refer to the ways that an organization handles knowledge at various stages of its life in an organization (KM cycle).

There are four main knowledge management processes, and each process comprises two sub-processes:

Knowledge discovery

- Combination
- Socialization

Knowledge capture

- Externalization
- Internalization

Knowledge sharing

- Socialization
- Exchange

Knowledge application

- Direction
- Routines

Knowledge Management Mechanisms are organizational or structural means used to promote knowledge management. They enable knowledge management systems, and they are themselves supported by the knowledge management infrastructure. Knowledge Management Mechanisms may (or may not) utilize technology, but they do involve some kind of organizational arrangement or social or structural means of facilitating knowledge management.

Examples of Knowledge Management Mechanisms include:

learning by doing,

on-the-job training,

learning by observation, and

face-to-face meetings.

More long-term knowledge management mechanisms include the hiring of a Chief Knowledge Officer, cooperative projects across departments, traditional hierarchical relationships, organisational policies, standards, initiation process for new employees, and employee rotation across departments.

Nick Milton explains the Push and Pull as motivators for Knowledge Management in the following video-clip:

Push and Pull as motivators for Knowledge Management (Nick Milton)

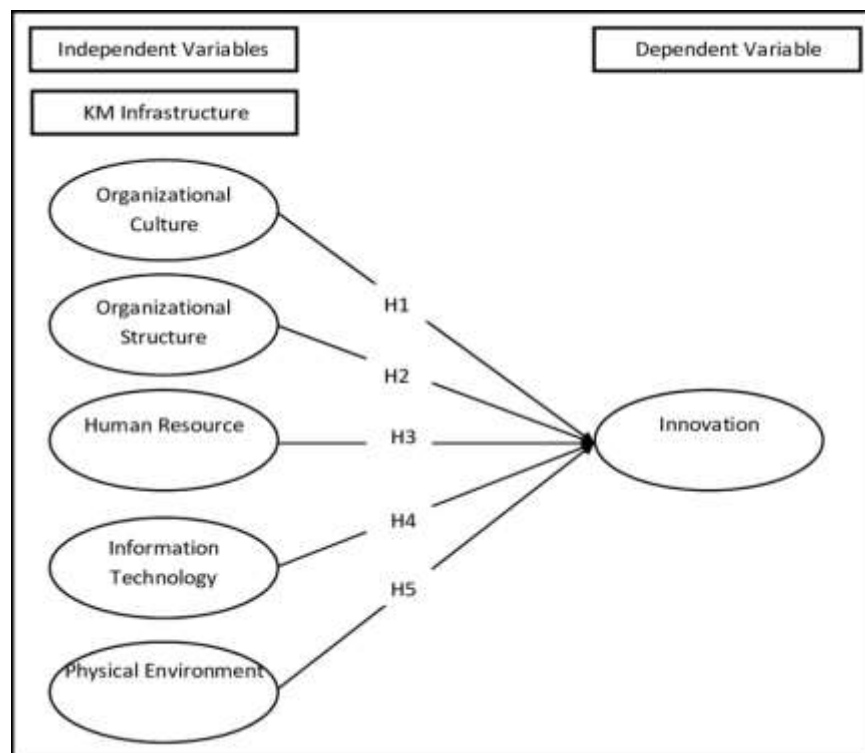
Knowledge management infrastructure.

Knowledge Management infrastructure reflects the long-term foundations for knowledge management. In an organizational context, knowledge management infrastructure includes five major components:

- organization culture
- organization structure
- organisation's information technology infrastructure
- common knowledge, and
- physical environment (Becerra-Fernandez and Sabherwal, 2010).

Organization culture reflects the norms and beliefs that guide the behaviour of the organization's members. It is an important enabler of knowledge management in organizations.

Attributes of enabling organizational culture include understanding the value of knowledge management practices, managing support for knowledge management at all levels, incentives that reward knowledge sharing, and encouragement of interaction for the creation and sharing of knowledge (Ambrect et al, 2001 as cited in Becerra-Fernandez and Sabherwal, 2010).



1. The Nature of Knowledge Management

2. Need for Knowledge Management “Knowledge has become the key resource, for a nation’s military strength as well as for its economic strength... is fundamentally different from the traditional key resources of the economist – land, labor, and even capital...we need systematic work on the quality of knowledge and the productivity of knowledge... the performance capacity, if not the survival, of any organization in the knowledge society will come increasingly to depend on those two factors” [Drucker,1994]
3. What is Knowledge Management? Knowledge management (KM) may simply be defined as doing what is needed to get the most out of knowledge resources. In general, KM focuses on organizing and making available important knowledge, wherever and whenever it is needed. KM is also related to the concept of intellectual capital.
4. Forces Driving Knowledge Management Increasing Domain Complexity: Intricacy of internal and external processes, increased competition, and the rapid advancement of technology all contribute to increasing domain complexity. Accelerating Market Volatility: The pace of change, or volatility, within each market domain has increased rapidly in the past decade. Intensified Speed of Responsiveness: The time required to take action based upon subtle changes within and across domains is decreasing. Diminishing Individual Experience: High employee turnover rates have resulted in individuals with decision-making authority having less tenure within their organizations than ever before.
5. Knowledge Management Systems Information technology facilitates sharing as well as accelerated growth of knowledge. Information technology allows the movement of information at increasing speeds and efficiencies. “Today, knowledge is accumulating at an ever increasing rate. It is estimated that knowledge is currently doubling every 18 months and, of course, the pace is increasing... Technology facilitates the speed at which knowledge and ideas proliferate” Bradley [1996]
6. Knowledge Management Systems Knowledge management mechanisms are organizational or structural means used to promote knowledge management. The use of leading-edge information technologies (e.g., Web-based conferencing) to support KM mechanisms enables dramatic improvement in KM. knowledge management systems (KMS): the synergy between latest technologies and social/structural mechanisms

7. Knowledge Management Systems KM systems classification based on observations on the KM systems implementations: Knowledge Discovery Systems Knowledge Capture Systems Knowledge Sharing Systems Knowledge Application Systems
8. Knowledge Management Systems Artificial intelligence and machine learning technologies important role in the KM processes, enabling the development of KMS.
9. Issues in Knowledge Management “Effective KM is not about making a choice between “software vs. wetware, classroom vs. hands-on, formal vs. informal, technical vs. social...uses all the options available to motivated employees to put knowledge to work ...[and] depends on recognizing that all of these options basically need each other” [Stewart, 2002]. One of the primary differences between traditional information systems and KM systems is the active role that users of KM systems play on building the content of such systems.
10. Essence of KM Knowledge is first created in the people’s minds. KM practices must first identify ways to encourage and stimulate the ability of employees to develop new knowledge. KM methodologies and technologies must enable effective ways to elicit, represent, organize, re-use, and renew this knowledge. KM should not distance itself from the knowledge owners, but instead celebrate and recognize their position as experts in the organization.
11. What is Data? Data comprises facts, observations, or perceptions Data represents raw numbers or assertions
12. What is Information? Information is processed data Information is a subset of data, only including those data that possess context, relevance and purpose Information involves manipulation of raw data
13. What is Knowledge? A justified true belief It is different from data & information Knowledge is at the highest level in a hierarchy with information at the middle level, and data to be at the lowest level It is the richest, deepest & most valuable of the three Information with direction
14. Data, Information, and Knowledge Knowledge Value Zero Low Medium High Very High Information Data
15. Data, Information, and Knowledge: Example $pH = 0.40$ $pT = 0.60$ $RH = +\$10$ $RT = -\$8$ $nH = 40$ $nT = 60$ Knowledge $pH = nH/(nH+nT)$ $pT = nT/(nH+nT)$ $EV = pH RH + pT RT$ Counting H T H T

T H H H T H ... T T T H T EV = -\$0.80 Information Data Value Zero Low Medium High Very High

16. Data, Information, Knowledge and Events Knowledge Information System Information Data Knowledge Use of information Decision Events
17. Subjective View of knowledge Knowledge as State of Mind Knowledge as Practice
18. Objective View of knowledge Knowledge as Objects Knowledge as Access to Information Knowledge as Capability
19. Types of Knowledge Individual, social, causal, conditional, relational and pragmatic Embodied, encoded and procedural
20. Procedural and Declarative Knowledge Declarative knowledge (substantive knowledge) focuses on beliefs about relationships among variables Procedural knowledge focuses on beliefs relating sequences of steps or actions to desired (or undesired) outcomes
21. Tacit and Explicit Knowledge Tacit knowledge includes insights, intuitions, and hunches Explicit knowledge refers to knowledge that has been expressed into words and numbers We can convert explicit knowledge to tacit knowledge
22. General and Specific Knowledge General knowledge is possessed by a large number of individuals and can be transferred easily across individuals Specific knowledge, or “idiosyncratic knowledge,” is possessed by a very limited number of individuals, and is expensive to transfer
23. Technically and Contextually Specific Knowledge Technically specific knowledge is deep knowledge about a specific area Contextually specific knowledge knowledge refers to the knowledge of particular circumstances of time and place in which work is to be performed
24. Illustrations of the Different Types of Knowledge
25. Knowledge and Expertise Expertise can be defined as knowledge of higher quality An “expert” is one who is able to perform a task much better than others
26. Types of Expertise Associational Expertise Motor Skills Expertise Theoretical (Deep) Expertise
27. Types of Knowledge Simple knowledge focuses on one basic area Complex knowledge draws upon multiple distinct areas of expertise Support knowledge relates to organizational infrastructure and facilitates day-to-day operations Tactical knowledge pertains to the short-term

positioning of the organization relative to its markets, competitors, and suppliers Strategic knowledge pertains to the long-term positioning of the organization in terms of its corporate vision and strategies for achieving that vision

28. Knowledge Reservoirs Organizational Entities Artifacts People Organizational Units Individuals Organizations Practices Repositories Technologies Inter-organizational Networks Groups Reservoirs of Knowledge
29. Characteristics of Knowledge Explicitness Codifiability Teachability Knowledge Specificity
30. Knowledge Management Knowledge management can be defined as performing the activities involved in discovering, capturing, sharing, and applying knowledge so as to enhance, in a cost-effective fashion, the impact of knowledge on the unit's goal achievement.
31. Knowledge Resources The term knowledge resources refers not only to the knowledge currently possessed by the individual or the organization but also to the knowledge that can potentially be obtained (at some cost if necessary) from other individuals or organizations
32. Knowledge Management Solutions Knowledge management solutions refer to the variety of ways in which KM can be facilitated KM processes KM systems KM mechanisms and technologies KM infrastructure
33. Knowledge Management Systems Knowledge management systems are the integration of technologies and mechanisms that are developed to support KM processes
34. KM Processes KM Systems KM Mechanisms and Technologies KM Infrastructure An Overview of Knowledge Management Solutions
35. Discovery Combination Socialization Application Direction Routines Sharing Socialization Exchange Capture Externalization Internalization Knowledge Management Processes
36. Knowledge Discovery Knowledge discovery may be defined as the development of new tacit or explicit knowledge from data and information or from the synthesis of prior knowledge Combination Socialization
37. Knowledge Capture Knowledge capture is defined as the process of retrieving either explicit or tacit knowledge that resides within people, artifacts, or organizational entities. Knowledge captured might reside outside the organizational boundaries, including consultants, competitors, customers, suppliers, and prior employers of the organization's new employees

38. Externalization and Internalization Externalization involves converting tacit knowledge into explicit forms such as words, concepts, visuals, or figurative language Internalization is the conversion of explicit knowledge into tacit knowledge. It represents the traditional notion of “learning”
39. Knowledge Sharing Knowledge sharing is the process through which explicit or tacit knowledge is communicated to other individuals Effective Transfer Knowledge is shared and not recommendations based on knowledge It may take place across individuals, groups, departments or organizations
40. Direction & Routines Direction refers to the process through which individuals possessing the knowledge direct the action of another individual without transferring to that person the knowledge underlying the direction Routines involve the utilization of knowledge embedded in procedures, rules, and norms that guide future behavior
41. Knowledge Management Mechanisms KM mechanisms are organizational or structural means used to promote KM Examples of KM mechanisms include learning by doing, on-the-job training, learning by observation, and face-to-face meetings
42. Knowledge Management Technologies Technologies that support KM include artificial intelligence (AI) technologies encompassing those used for knowledge acquisition and case-based reasoning systems, electronic discussion groups, computer-based simulations, databases, decision support systems, enterprise resource planning systems, expert systems, management information systems, expertise locator systems, videoconferencing, and information repositories encompassing best practices databases and lessons learned systems
43. Knowledge Management Systems KM systems utilize a variety of KM mechanisms and technologies to support the KM processes Knowledge Management Discovery Systems Knowledge Management Capture Systems Knowledge Management Sharing Systems Knowledge Application Systems
44. Knowledge Discovery Systems Knowledge discovery systems support the process of developing new tacit or explicit knowledge from data and information or from the synthesis of prior knowledge Support two KM sub-processes combination, enabling the discovery of new explicit knowledge socialization, enabling the discovery of new tacit knowledge

45. Knowledge Capture Systems Knowledge capture systems support the process of retrieving either explicit or tacit knowledge that resides within people, artifacts, or organizational entities Technologies can also support knowledge capture systems by facilitating externalization and internalization
46. Knowledge Sharing Systems Knowledge sharing systems support the process through which explicit or implicit knowledge is communicated to other individuals Discussion groups or chat groups facilitate knowledge sharing by enabling individuals to explain their knowledge to the rest of the group
47. Knowledge Application Systems Knowledge application systems support the process through which some individuals utilize knowledge possessed by other individuals without actually acquiring, or learning, that knowledge Mechanisms and technologies support knowledge application systems by facilitating routines and direction.
48. Knowledge Management Mechanisms Mechanisms facilitating direction include traditional hierarchical relationships in organizations, help desks, and support centers Mechanisms supporting routines include organizational policies, work practices, and standards
49. Knowledge Management Technologies Technologies supporting direction include experts' knowledge embedded in expert systems and decision support systems, as well as troubleshooting systems based on the use of technologies like case-based reasoning Technologies that facilitate routines are expert systems, enterprise resource planning systems, and traditional management information systems
50. KM Processes, Mechanisms, and Technologies
51. Knowledge Management Infrastructure Organizational Culture Organizational Structure Communities of Practice Information Technology Infrastructure Common Knowledge
52. Organizational Culture Organizational culture reflects the norms and beliefs that guide the behavior of the organization's members Attributes of an enabling organizational culture include understanding of the value of KM practices, management support for KM at all levels, incentives that reward knowledge sharing, and encouragement of interaction for the creation and sharing of knowledge
53. Organizational Structure Hierarchical structure of the organization affects the people with whom individuals frequently interact, and to or from whom they are consequently likely to transfer

knowledge Organizational structures can facilitate KM through communities of practice
Organization structures can facilitate KM through specialized structures and roles that specifically support KM

54. Information Technology Infrastructure The IT infrastructure includes data processing, storage, and communication technologies and systems One way of systematically viewing the IT infrastructure is to consider the capabilities it provides in four important aspects: Reach Depth Richness Aggregation
55. Common Knowledge Common knowledge also refers to the organization's cumulative experiences in comprehending a category of knowledge and activities, and the organizing principles that support communication and coordination Common knowledge helps enhance the value of an individual expert's knowledge by integrating it with the knowledge of others
56. Physical Environment Physical environment includes the design of buildings and the separation between them; the location, size, and type of offices; the type, number, and nature of meeting rooms A 1998 study found that most employees thought they gained most of their knowledge related to work from informal conversations around water coolers or over meals instead of formal training or manuals
57. Knowledge Management Infrastructure
58. Knowledge Capture Knowledge Sharing Knowledge Application Knowledge Discovery KM Processes Externalization Combination Routines Socialization Exchange Direction Internalization Knowledge Capture Systems Knowledge Sharing Systems Knowledge Application Systems Knowledge Discovery Systems KM Systems KM Mechanisms KM Technologies Decision support systems Web-based discussion groups Repositories of best practices Artificial intelligence systems Case-based reasoning Groupware Web pages ... Analogies and metaphors Brainstorming retreats On-the-job training Face-to-face meetings Apprenticeships Employee rotation Learning by observation Organization Culture IT Infrastructure Common Knowledge Physical Environment Organization Structure KM Infrastructure Overview of Knowledge Management Solutions

UNIT – V

ORGANIZATIONAL IMPACT OF KNOWLEDGE MANAGEMENT

Organizational impacts of knowledge management on people, processes, products and organizational performance. Factors influencing knowledge management. Knowledge management assessment of an organization importance, types and timing, knowledge discovery systems.

ORGANIZATIONAL IMPACT OF KNOWLEDGE MANAGEMENT:

Organizational impacts of knowledge management on people, processes, products and organizational performance. Factors influencing knowledge management. Knowledge management assessment of an organization importance, types and timing, knowledge discovery systems.

A Summary of Organizational Impacts of Knowledge Mgmt

Levels of Impact	Impacted Aspects
● People	Employee learning
	Employee adaptability
	Employee job satisfaction
● Processes	Process effectiveness
	Process efficiency
	Process innovativeness
● Products	Value-added products
	Knowledge-based products
● Organizational Performance	Direct Impacts
	Return on investment
	Indirect impacts
	Economies of scale and scope
	Sustainable competitive advantage

Organisational impacts of Knowledge Management on People, Processes, Products and Organisational Performance

1. Organizational Impacts of Knowledge Management (KM) on People, Processes, Products and Organisational Performance By Dr. G C Mohanta, Professor, Al-Qurmoshi Institute of Business Management, Hyderabad, India
Reasons for Companies Adopting KM
The companies adopt KM due to the following reasons: - Retaining expertise of employees, - Enhancing customers' satisfaction with the company's products and - Increasing profits or revenues.
KM Impacts
KM solutions and knowledge can have impacts on the organization performance and the impacts can be on the following: (i) People, (ii) Processes, (iii) Products and (iv) Organizational performance
KM Impacts on People
KM can have the following impacts on people: - KM can facilitate employee learning, - KM can facilitate employee adaptability and cause employees to become more flexible and - KM can also enhance employee job satisfaction.
KM Impacts on Employee Learning
This can be accomplished through: - Externalization, e.g., writing a report on lessons learned from a project; - Internalization, e.g., when employees preparing for a later project, can read it; - Socialization, e.g., through joint activities, such as, meetings or informal chats; - Communities of Practice - an organic and self-organized group of individuals who are dispersed geographically or organizationally, but communicate regularly to discuss issues of mutual interest
KM Impacts on Employee Adaptability
The KM can impact employee adaptability as follows: - Employees are likely to adapt, when they interact with each other. - They are more likely to accept change and - They are more prepared to respond to change and less likely to be caught by surprise!
KM Impacts on Employee Job Satisfaction
2. Recent study found that in organizations having more employees sharing knowledge with one another, turnover rates were reduced, thereby positively affecting revenue and profit. Employees feel better because of their knowledge acquisition and skill enhancement. Employees' market value is enhanced relative to other organizations' employees. KM also provides employees with solutions to problems they face, in case those same problems have been encountered earlier, and effectively addressed. Providing tried & tested solutions to the employees, amplifies employees' effectiveness in performing their jobs. Also helps provided by the organisation, keep employees motivated. Additional increases in employee job satisfaction derive from KM practices as follows: - Mentoring and training are excellent motivators for employees. - Communities of Practice provide intimate and socially validated control to the employees over their own work practices.
KM Impacts on Processes
KM enables improvements in organizational processes such as marketing, manufacturing, accounting, engineering, and public relations. These impacts can be

seen along three major dimensions as follows: - Effectiveness, - Efficiency and - Degree of innovation of the processes. Effectiveness, Efficiency and Innovation Effectiveness is performing the most suitable processes and making the best possible decisions. Efficiency is performing the processes quickly and in a low-cost fashion. Innovation is performing the processes in a creative and novel fashion that improves effectiveness and efficiency, or at least marketability. KM Impacts on Processes: Effectiveness KM can enable organizations to become more effective by helping them to select and perform the most appropriate processes, so that there are fewer mistakes. KM enables organizations to quickly adapt their processes according to the current circumstances, thereby maintaining process effectiveness in changing times. KM Impacts on Processes: Efficiency KM can enable organizations in productivity improvement and cost savings. Managing knowledge effectively can also enable organizations to be more productive and efficient. KM Impacts on Processes: Innovation

3. Organizations can increasingly rely on knowledge shared across individuals to produce innovative solutions to problems, as well as, to develop more innovative organizational processes. KM has been found to enable frequent improved brainstorming, thus enhancing process innovation. KM can enable organizations by better exploitation of new ideas. “The power of intellectual capital is the ability to breed ideas that ignite value”. KM Impacts on Products KM Impact on products can be - Value added products - Knowledge based products KM Impacts on Value-Added Products KM processes can help organizations offer new products or improved products that provide a significant additional value as compared with earlier products. Value-added products also benefit from KM due to the effect the latter has on organizational process innovation. KM Impacts on Knowledge-Based Products KM can have a significant impact on products that are knowledge based, e.g.: - Consulting - Software development Consultants can quickly access and combine the best available knowledge and bid on proposals that would otherwise be too costly or too time-consuming to put together. Company can place solutions to software problems of customer in a shareable knowledge base. Let customers download software patches based on their answers to an automated “wizard” system that prompts customers with a series of questions aimed at diagnosing the customer needs. In knowledge-based industries, KM is often necessary just for mere survival. Knowledge based products can sometimes play a significant role in traditional manufacturing firms, too. KM Impacts on Organizational Performance “Ideas are capital. The rest is just money.” – Deutsche Bank ad in Wall Street Journal. It reflects the belief that investments in KM should be viewed as capital investments, to produce long-term benefits to the entire organization, instead of assets providing value only at the

present time. Direct Impacts The direct impacts of KM are as follows: - Knowledge is used to create innovative products that generate revenue and profit. - In theory, it is relatively straightforward to measure in terms of improvements in ROI (return on investment).

4. Indirect Impacts The indirect impacts of KM are as follows: - Use of KM to demonstrate intellectual leadership within the industry, which, in turn, might enhance customer loyalty. - Use of knowledge to gain an advantageous negotiating position with respect to competitors or partner organizations. Unlike direct impact, indirect impact cannot be directly associated with transactions and therefore cannot be easily measured.

Knowledge Management Impacts on Organizational Performance The organizational performance can be improved through the following: - Scale economies, - Scope economies and - Sustainable competitive advantage. Economy of Scale A company's output is said to exhibit economy of scale, if the average cost of production per unit decreases with increase in output. Reasons: - Large setup cost, making low-scale production uneconomic, - Possibilities for specialization increase as production increases and - Greater likelihood of discounts from suppliers when production is large-scale Economy of Scope A company's output is said to exhibit economy of scope when the total cost of that same company producing two or more different products is less than the sum of the costs that would be incurred if each product had been produced separately by a different company Reasons: - Joint use of production facilities, - Joint use of marketing, - Joint use of administration and - Joint use of distribution channels Indirect Impacts on Economy of Scale and Scope KM can contribute to economies of scale and scope by: - improving the organization's ability to create and leverage knowledge related to products, customers, and managerial resources across businesses;

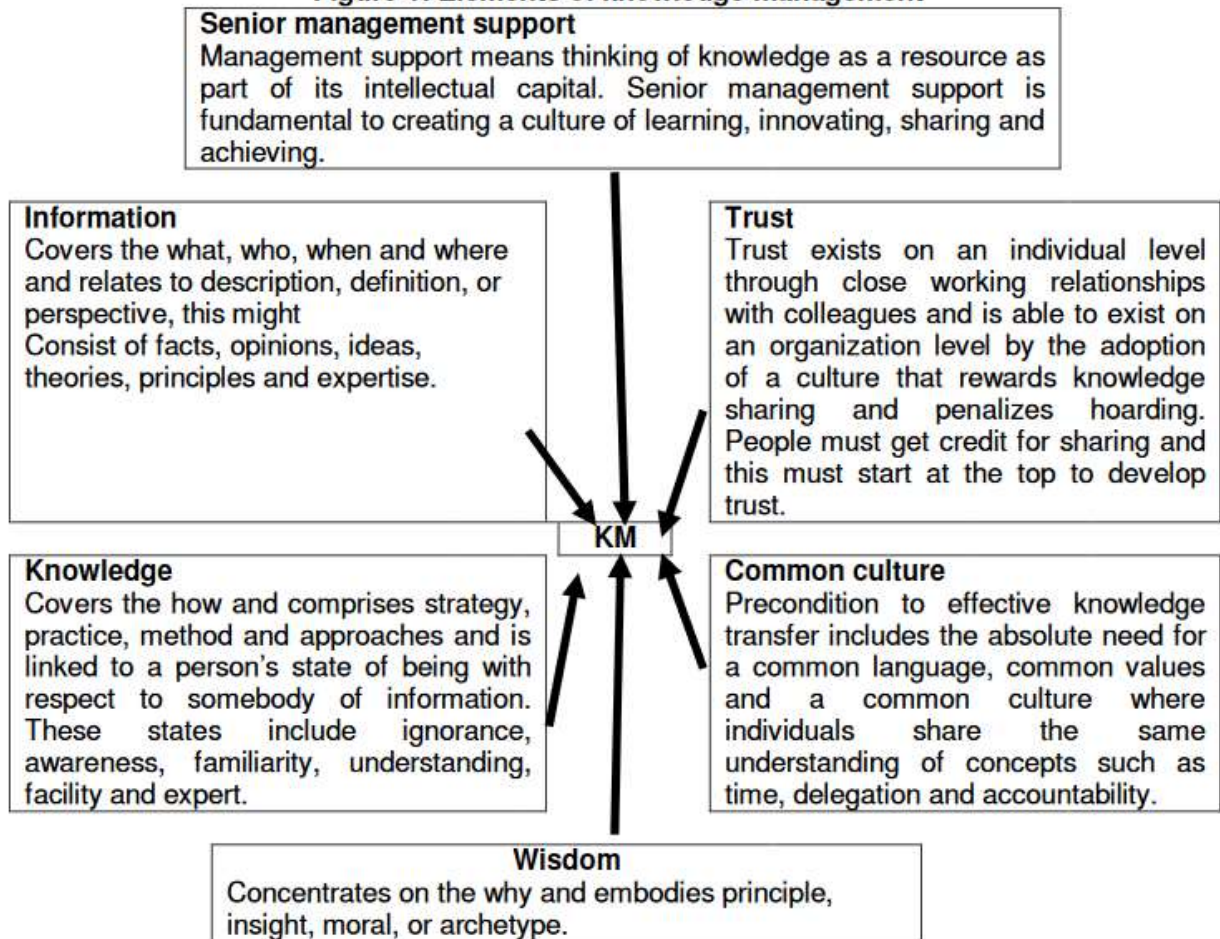
5. enabling sharing of products designs, components, manufacturing processes, and expertise across businesses, thus reducing development and manufacturing costs, accelerating new product development, and supporting quick response to new market opportunities; - enabling cross-selling of existing products or development of new products, by sharing knowledge of customer preferences, needs, and buying behaviors; - enabling the deployment of general marketing skills and sales forces across businesses. Indirect Impacts on Sustainable Competitive Advantage Knowledge can enable an organization to develop and exploit other tangible and intangible resources better than the competitors can, even when the resources might not be unique. Knowledge tends to be unique and therefore difficult to imitate. Unlike most traditional resources, knowledge cannot easily be purchased in a ready-to-use form. To obtain similar

knowledge, competitors have to engage in similar experiences but obtaining knowledge through experience takes time. So competitors are limited in the extent to which they can accelerate their learning through greater investment.

6. enabling sharing of products designs, components, manufacturing processes, and expertise across businesses, thus reducing development and manufacturing costs, accelerating new product development, and supporting quick response to new market opportunities; - enabling cross-selling of existing products or development of new products, by sharing knowledge of customer preferences, needs, and buying behaviors; - enabling the deployment of general marketing skills and sales forces across businesses.

Indirect Impacts on Sustainable Competitive Advantage Knowledge can enable an organization to develop and exploit other tangible and intangible resources better than the competitors can, even when the resources might not be unique. Knowledge tends to be unique and therefore difficult to imitate. Unlike most traditional resources, knowledge cannot easily be purchased in a ready-to-use form. To obtain similar knowledge, competitors have to engage in similar experiences but obtaining knowledge through experience takes time. So competitors are limited in the extent to which they can accelerate their learning through greater investment

Figure 1: Elements of knowledge management

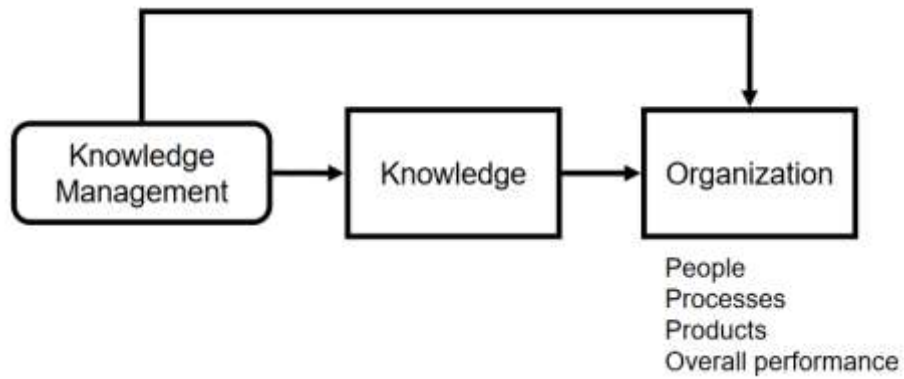


Organizational impacts of knowledge management on people, processes, products and organizational performance.

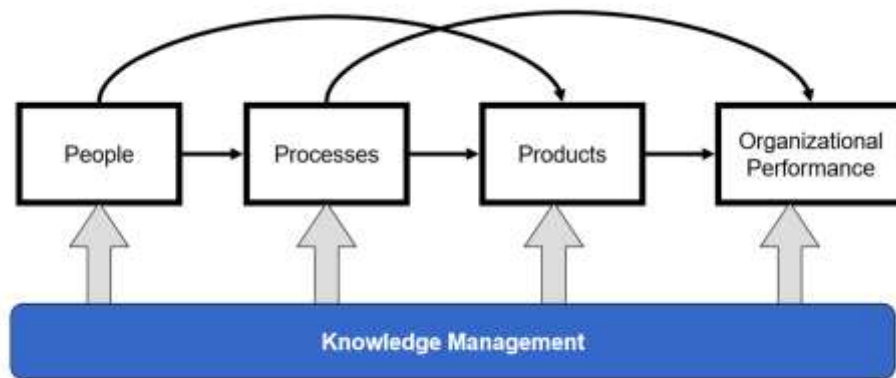
What various kinds of impact does knowledge management have on organizations and organizational performance?

•At what levels does the impact occur?

- People
- Processes
- Products
- Overall performance



- Retaining expertise of employees
- Enhancing customers' satisfaction with the company's products
- Increasing profits or revenues.



Impact on People

- KM can facilitate employee learning
- KM also causes employees to become more flexible, and enhances their job satisfaction

Impact on Employee Learning

This can be accomplished through

Externalization

eg, writing a report on lessons learned from a project...

Internalization

eg, when employees preparing for a later project read it

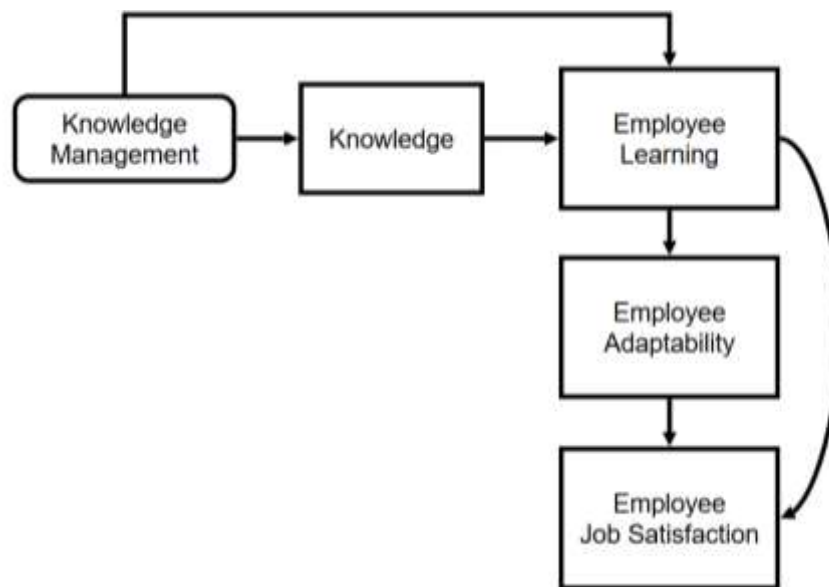
Socialization

eg, through joint activities such as meetings or informal chats

Communities of practice

ie(recall), an organic and self-organized group of individuals who are dispersed geographically or organizationally, but communicate regularly to discuss issues of mutual interest

How KM Impacts People



Factors influencing knowledge management.

Last time, we explored various kinds of impact that KM may have on organizations

- at various levels: people, processes, products, and overall performance

But why might KM solutions have different impacts on performance, depending on the specific organization's circumstances?

What, exactly, are the key factors that determine the suitability of alternative KM solutions?

What, exactly, is the nature of their impacts?

Universalistic View of KM

Historically, much of the KM literature appears to implicitly assume a universalistic view

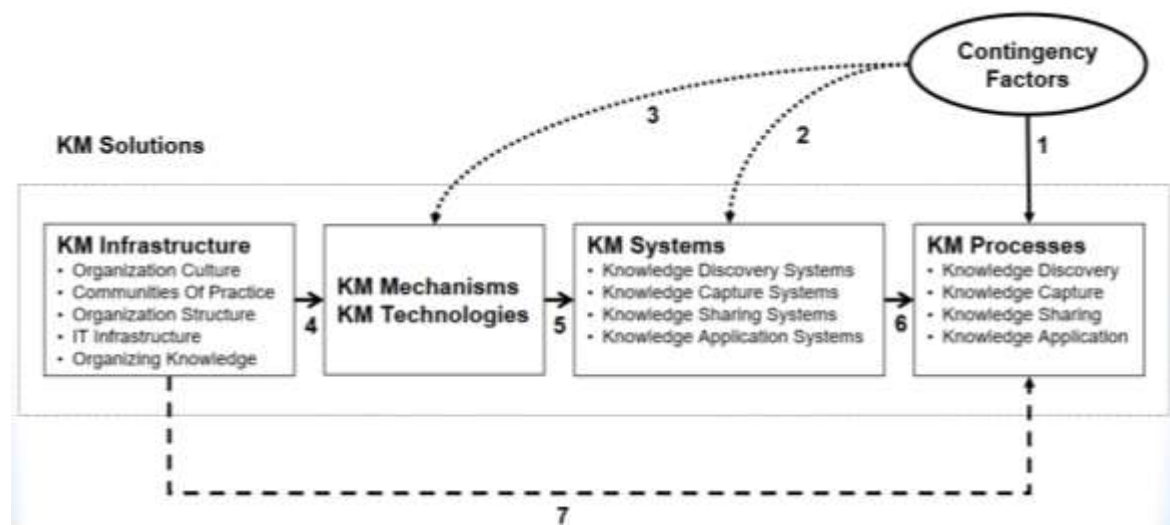
- There is a single best approach of managing knowledge, which should be adopted by all organizations in all circumstances.

Eg: knowledge sharing is often recommended as useful to all organizations

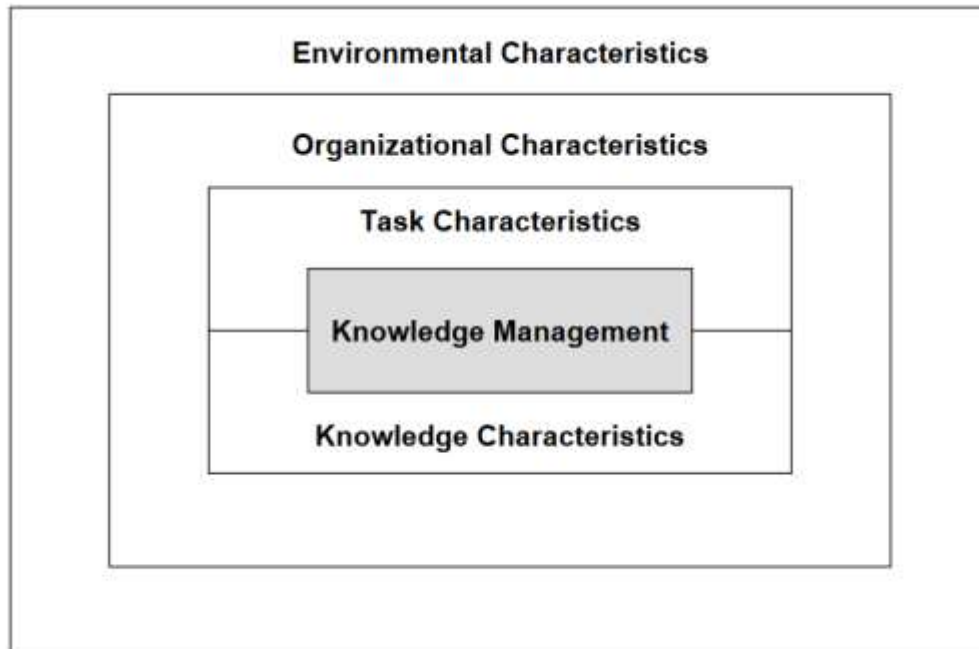
• Yet: we believe that direction may sometimes represent an equally effective but more efficient alternative!

• In reality, there is no “magic bullet”

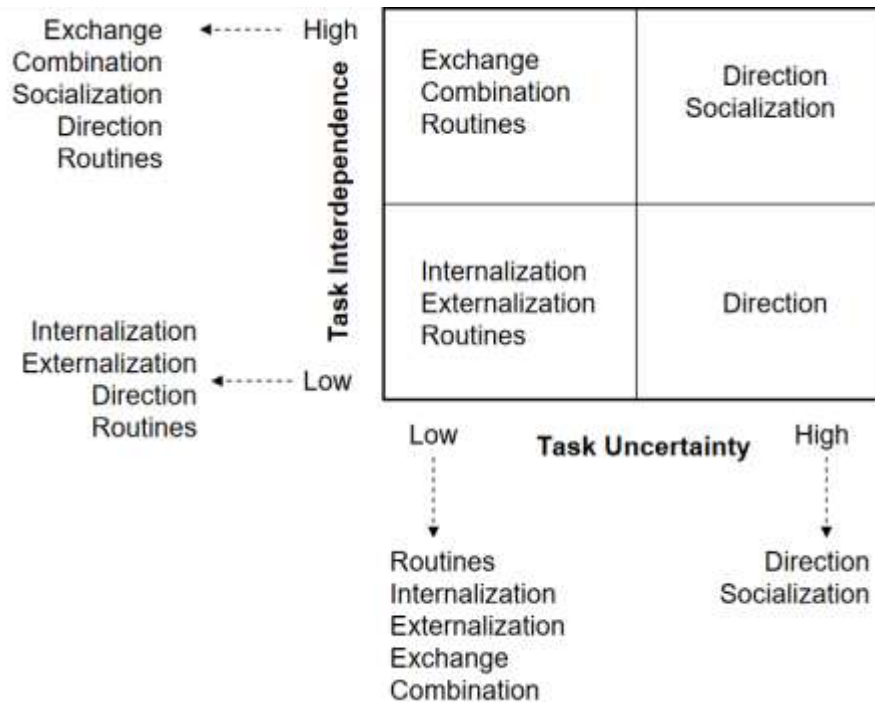
- No single universal KM solution works for all situations



How should contingency factors determine KM solutions?

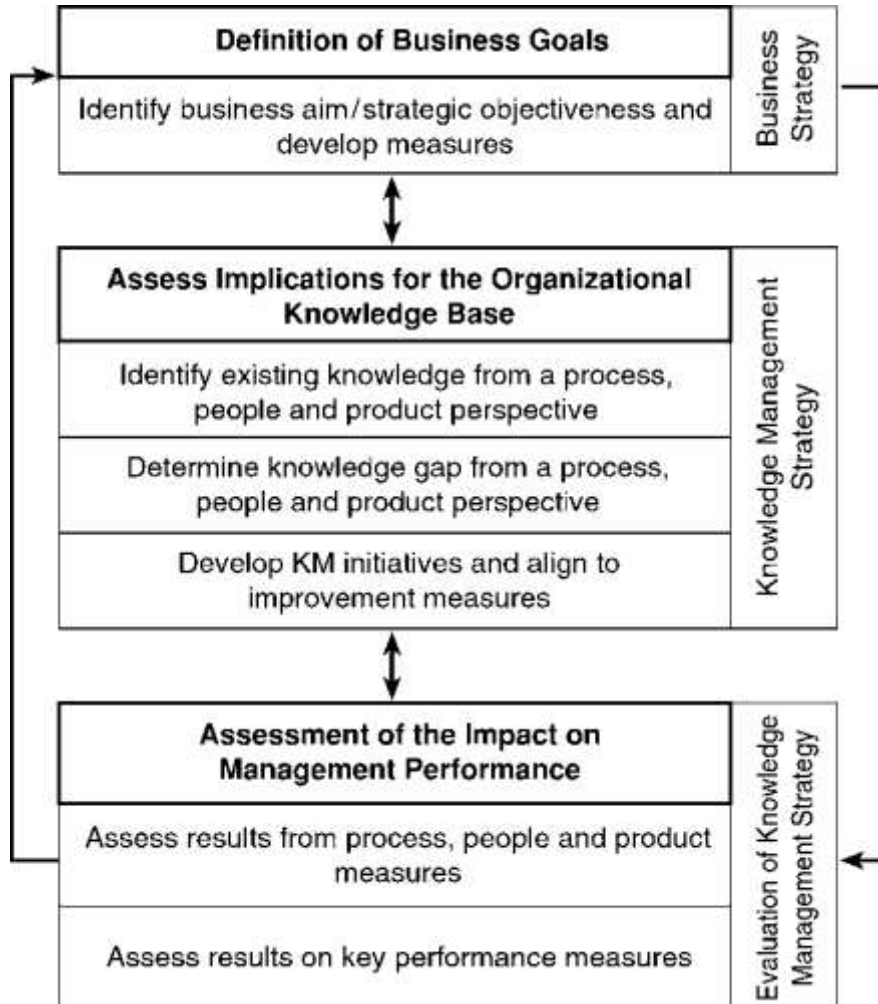


Categories of contingency factors need we examine?



Effects of Task Characteristics on K M Processes

Knowledge management assessment of an organization importance, types and timing, knowledge discovery systems.



THE TALENT MANAGEMENT WHEEL

The Talent Management Wheel divides the important elements of talent management into two: talent management *practices* (shown in the outer ring) and *guiding principles* (the inner ring). The six guiding principles apply equally to each of the individual talent management practices.





Talent Development System

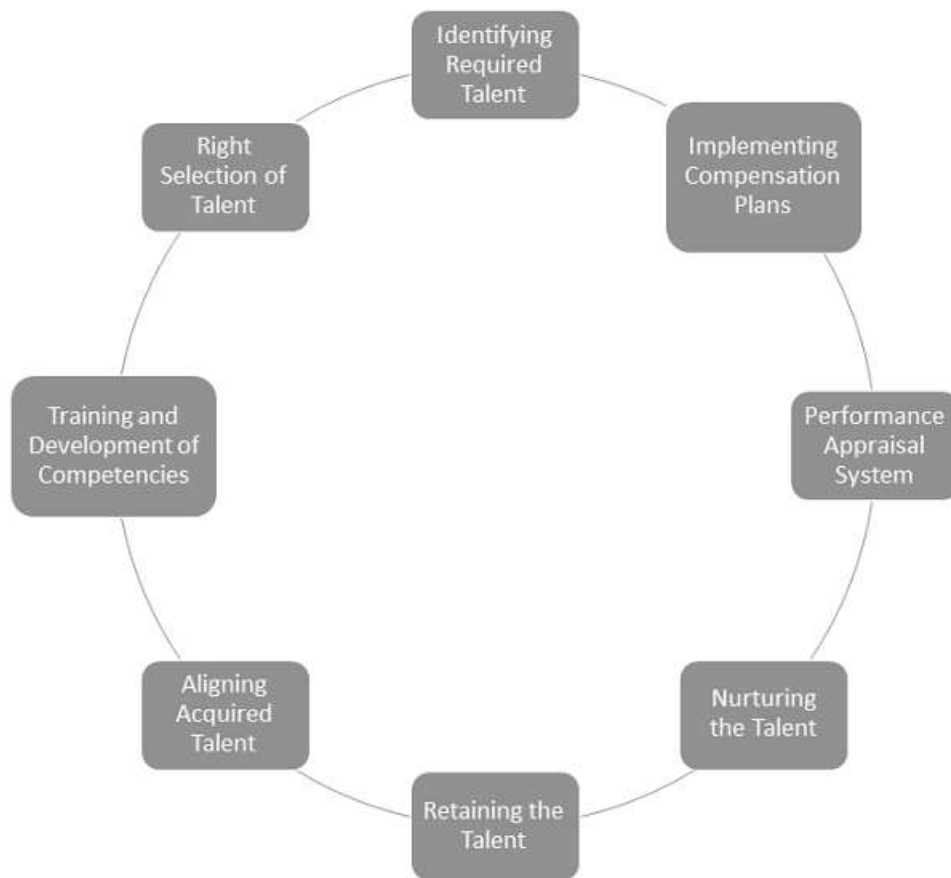


Talent Management starts with identification of the appropriate skilled people required for the organization and then there is proper selection of people with requisite potentials and skills in desired job.

After identification and selection of the right kind of people, Talent Management implements competitive compensation that may include attractive pay-package, periodical increment, health insurance, paid leaves, etc. for the employees. The selected workforce is provided with training and regular refreshment programs so as to match the emerging requirements of the organization.

Significance of Talent Management

The basic purpose of talent management is to recruit, develop, and retain best talent in the organization. The HR Department always endeavors to ensure that employees with the right skills and qualities stay with the organization for a long time.



The most important functions of Talent Management are as follows –

- Establishing a high-performance workforce.
- Attracting individuals with high potential and retaining them through proper training and refreshment.
- Increasing the productivity of the organization.

- Proper time management, as untrained and unskilled workforce lead to wastage of time and commitment of errors, which is not cost-effective.
- Retain talented and high-performing employees.
- Ensuring growth and innovation in the organization.
- Developing skills and competencies in employees.

A requisite pool of qualified and talented employees can simplify the process of achieving the organizational goal and help focus on issues that really matters in the interest of the organization. Therefore, the overall purpose of talent management is to maintain a skilled and efficient workforce for the organization.

In modern-day organizations, the importance of talent management is second to none. Unless an organization has the required talented workforce, it cannot succeed in attaining its goal even if it possesses other factors such as natural resources, infrastructure, and technology. In fact, it is people who take an organization to its next levels of success.