

NEWS

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Centralized or Decentralized Knowledge Management?

A significant portion of our modern business experts consider Knowledge a company's single largest capital asset. Some even promote the idea that knowledge is more valuable than cash. Cash is fleeting, knowledge is constant. However you cut it, modern organizations store an enormous potential of "know how" and this potential should be used for all organizational goals in all departments. Based upon this need, management has set itself the goal of "Managing Knowledge".

However, in this type of "Management" one tends to one of two extremes. At one extreme, one meticulously collects the various sorts of knowledge, saves it in a central location, manages it and distributes it to all those in the organization who need it. The Centralized Knowledge Management requires that each employee to regularly update the knowledge bank and then that the knowledge be distributed on a timely basis to those who need it. At the other extreme are the organizations who say that knowledge is in the minds of our employees. We need, therefore, a good organizational culture, exemplary working conditions, excellent leadership and the best possible integration of all employees so that knowledge can be

knowledge can be shared and doesn't migrate away.

Whether or not one executes a Centralized or Decentralized Knowledge Management strategy is dependent upon the organization's size and regional concentration. Smaller organizations will have to trust their knowledge to the minds of their employees, and the spread of that knowledge to an open and transparent working culture. Large organizations are usually instructed to rely upon the centralized storage of their hard won knowledge. The reality, as usual, lies somewhere in-between. Even small companies can gain benefit from a centralized knowledge bank, and large companies should know better than to rely solely upon a centrally stored pool of knowledge. Effective Knowledge Management is a combination of the centrally stored "know how" that is collected and made available to all employees, combined with an affirmative action for all employees to share and accumulate useful knowledge, to be intelligently applied in the appropriate circumstances to help the organization maintain its competitive advantage.

As always, motivation is the key factor determining how well people will give, take and use what is at their disposal. Today



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significantly to their professional survival. Because of this, knowledge is often held back in the hopes of making oneself indispensible. Everybody knows that their personal knowledge contributes to the organization's success. A systematic Knowledge Management can only work when the participants have a requisite level of personal and professional security and feel that their efforts to ensure the long term sustainability of the organization will be recognized and appreciated. Everyone who sees the organization as simply a vacuum of their knowledge and strengths will naturally hold back.

Leadership success is not measurable with money!

When reading Resumes from Senior Management, one always runs into money being used as the measurement of success:

"He was able to increase revenues from €28M to €41M in three years"

"Thanks to a clever investment strategy, he was able to increase Fixed Deposit profits from CHF 16.3M to CHF 19M"

"Due to the streamlining of production throughput was increased by 21%, which led to an additional €45M in revenue."

However, one can rightfully ask the question: What did he leave behind?

Money is used as a universal measurement tool. Everybody uses money. Therefore, everyone can understand and appreciate the value it represents. However, money is a very poor measurement of success when it comes to the performance of an organization's leaders. Increases in revenues can arise from special

competitive advantages, thanks to extra efforts by R & D, even when the boss is a washout. He will claim ownership anyways. Profits from Fixed Deposit investments is market dependant and are only a measure of success when compare to the market as a whole. Even when it comes to streamlining a process, one has to ask where the actual ideas for improvements came from.

We are such suckers for benchmark data. The greatest nonsense seems plausible, when wrapped in monetary value. This starts with something as simple as the purchase of a head of lettuce at 50% off, because of the approaching end of its shelf life. Even though we have to throw it away – brown and wilting – two days later, we are proud of ourselves for having saved 50% on the purchase even though it was a complete loss. We admire pictures of great masters, not because they speak to us in some way, but because they are worth a lot of money. Money says little about content. Should Senior Management be measured based upon such a nebulous value?

Actual measurements of success are:

1. How large was employee turnover during my tenure?
2. How well did my teams reach their goals?
3. How often did I have to intervene to correct a situation?
4. How many employees could be hired and successfully integrated under my watch?
5. How well did my team members develop under my leadership?
6. How many of the ideas of my team members were we able to realize?
7. How well did the image of my department improve within the organization?



8. Did my team communicate and harmonize well with other departments?
9. How much lasting value did I create?
10. What did I personally learn that will help me be a better leader?

These 10 questions, with exception of #9, cannot be answered with monetary values. People driven by money will claim that leadership success generates direct economic success, and is thus measurable in monetary terms. This claim can only be countered with a discussion about the duration of the value created. The intense, short term burning of human and material resources always leads to monetarily measureable short term success. A burned out landscape, however, doesn't offer much hope for a subsequent successful crop. Jb / Translation ec

Job Boards: Help or Plague?

Earlier, everything was easier. To find a new employee, one wrote an attractive text and – depending upon where sought – placed an ad in a regional newspaper or professional journal.

Today the print medium is faced with an avalanche of competition from Internet Job Boards. Everyone – currently about 900 in total – tries to cut out their piece of the pie. Before, if you were looking for someone in San Jose or Houston, an ad in the local paper would deliver the required candidates. Today, if you want to know what delivers the best results to find someone for San Jose or Houston, you run into an array of options, each subjectively valued by individual experiences with little context, from which you are to choose.

However, the solutions to deliver transparency and usefulness are on the way. Job Board Aggregators, such as Crosswater Systems Ltd., publish a collection of all Job Boards and offers tools to navigate based upon Industry and Profession. The Traffic Ranking measures the visits and the Profile Ranking gives qualitative candidate feedback on HR departments and recruiting organizations.

But which Job Board is the best when looking for a person with a specific profile?

The in the past, the newspapers had a readership analysis which one could reliably use to determine who read the material. With Job Boards, this type of analysis is currently under development. Clearly, there are Job Boards which cater to specific industries and professions, and one can expect to be seen by a target audience. Industry specific Job Boards are very successful and are becoming a common meeting point for professionals. Job Boards for Senior Management have been created as well. So that one doesn't have to search very long, the Job Board Aggregators offer help.

One piece of advice needs to be taken to heart. The text of a Job Posting needs to be very professional, understandable, and have clearly defined minimum requirements. It is easier to apply for a job electronically than via written documents mailed to the employer. Because of this, the text in the Job Posting needs to be focused on generated qualified candidates rather than a large number of applicants. Lots of candidates means lots of work digging through them for the qualified ones, which will slow down your reply process. There are already employer rating mechanisms



The Internet is the stage
where the average man
can present himself as
the man of his dreams
Giuseppe da Silva

The Internet makes the
large, global world into a
small village.
Giuseppe da Silva



how friendly, pleasant or fast the candidates were addressed. A negative ranking may be just the excuse needed for an otherwise qualified candidate to decide not to apply. Jb / translation ec

„Yes-but-Capitalism“

Helmut Maucher, the former President of Nestlé is the source of the title for this article. He noted that people are convinced that capitalism works, yet also agree that capitalism must have its limits. Those who are wealthy thanks to a capitalistic society shouldn't simply hoard the cash, rather ensure that the people who helped them get where they are, are rewarded as well. That is, capitalism brings with it social obligations.

Unfortunately, those organizations and individuals who take this obligation to heart are seldom read about in the press. Instead Capitalistic extremists are headline news and blemish the reputation of everybody. The effect is similar to that with road traffic. Millions of people drive safely and responsibly, yet because of a relatively small minority of reckless drivers, all drivers are viewed as potential killers who need to be permanently monitored and fined. Similarly, there are only few companies who use capitalism for the generation of unlimited wealth at the cost of environment and society. Because of these few bad examples, all organizations are faced with numerous legal hurdles to maintain proof of their innocence. No reductions in the workforce, no restructuring, complete protection against job loss, intensive product liability, no profit sharing with management, and so forth. With many legal and so called "moral" limitations, it is less a question of protecting

the society than taking advantage of business success by non-business oriented people.

Helmut Maucher recognized the high social responsibility of an organization, as the most important social responsibility is a sustained, stable organization. To be successful in the long term one has to avoid behavior that is beneficial in the short term, however brings long term disadvantages to the employees and society, damages the environment, or blemishes the organization's image. The corporate profit should be ensured, long term, because this is the most important contribution to the well being of the society. Jb / translation ec

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