

Surfacing Uncommon Knowledge : Applying “Deep Smarts”

Whilst leading a discussion panel earlier this year at an Executive Leadership conference in Singapore, a participant posed the following question -

“How many of the organisations represented here have a learning management system or embedded processes that capture the wisdom of experience, knowledge of mistakes, and a catalogue of the informal knowledge, to address critical questions posed by employees and customers?”

The silence in response was deafening. Only one senior manager acknowledged her organisation had a mechanism to capture this information ! A consensus was reached that most organisational learning systems are not designed to develop experience-based knowledge.

All organisations have a wealth of untapped knowledge and wisdom residing in the heads of experienced managers and employees – what is known as their ‘deep smarts’.¹ Demographic trends indicate an imminent shortage of experienced, seasoned leaders in a range of critical industries. With the ongoing gradual retirement of ‘baby boomers’, decades’ worth of formal and informal knowledge and wisdom, which are essential to the success of an organisation, risk disappearing with these retirees, to the detriment of organisations. And with the global economic downturn, many organisations are being faced with carrying out redundancy plans, which again run the risk of losing valuable organisational knowledge and wisdom. In addition, what is the impact when our best people leave the organisation to further their careers elsewhere and take their knowledge with them ?

Increasing awareness amongst managers of the strategic implications of this loss, and of taking appropriate action, is critical to identifying, nurturing and transferring experience based knowledge and wisdom - to harnessing these ‘deep smarts’ - before it is too late.

Acquiring Uncommon Knowledge

Throughout our lives we absorb knowledge and information from our environment, upbringing, education, life experiences, insights from experiential-based knowledge, and advice based on the wisdom of time and learning. However, it is the application of this accumulated knowledge over time and seeing the patterns that they form which

¹ Dorothy Leonard & Walter Swap, “Deep Smarts”, 2005
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distinguishes them as uncommon knowledge – the ‘know how’ rather than the ‘know what’. The purpose is to address the knowledge gaps in organisations.

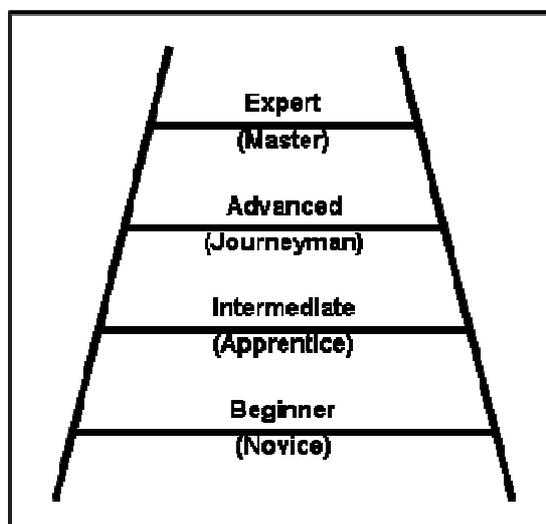
“Deep smarts are a potent form of expertise based on first-hand life experiences, providing insights drawn from tacit knowledge, and shaped by beliefs and social forces. Deep smarts are as close as we get to wisdom. ...[They] cannot be attained through formal education alone – but they can be deliberately nourished and grown, and, with dedication, transferred or recreated.” (Dorothy Leonard & Walter Swap, 2005)

Uncommon knowledge can be found at all levels in organisations. We can recognise people with such assets through observing various characteristics inherent in the ways they think and communicate. They are able to –

- address urgent, practical real life issues effectively and effortlessly
- comprehend and explain complex systems in simple and easy to understand language, and provide examples
- use the ‘things we know’ rather than opinions
- sort through perceptions and ideas quickly to come up with best practice outcomes
- recognise patterns in different situations
- exhibit the joy of being curious
- show enthusiasm about experience, and not be cynical
- think ahead and appreciate consequences that others may not be aware of

Such people demonstrate a number of behaviour patterns. They relish being a contributor ; they challenge the ‘elephant in the room’ and ‘sacred cows’ ; they show consistency in temperament, style and approach to issues ; they are positive and not cynical ; they use reflection to understand events and outcomes ; they embrace learning by doing and through experience; and they make mistakes with clarity of purpose.

Knowledge Ladder



Adapted from Dorothy Leonard & Walter Swap, 2005

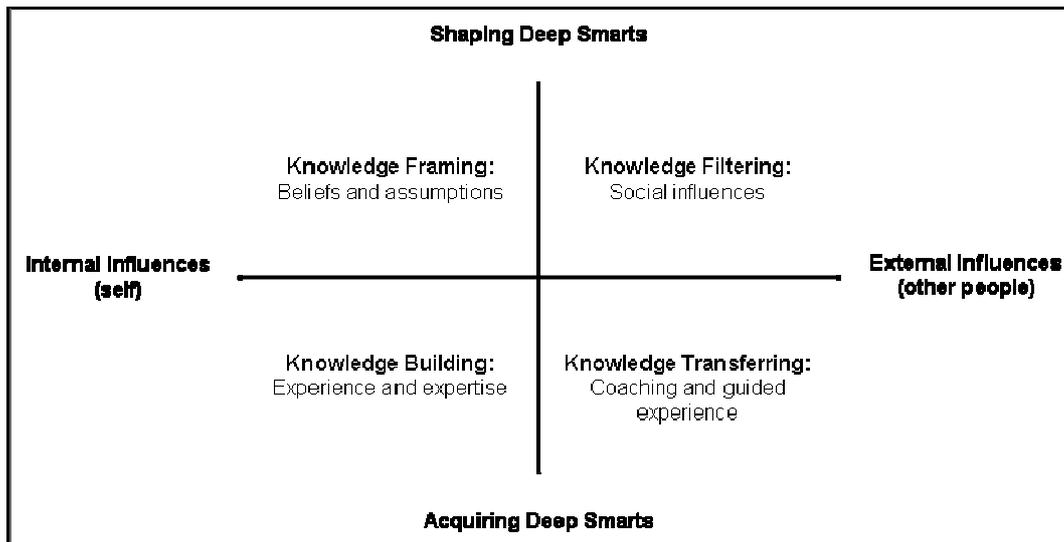
Gaining uncommon knowledge takes time and effort. At some points in our lives all of us are Beginners and only if we persevere in accumulating knowledge and experience may we aspire to becoming Experts, through climbing the Intermediate and Advanced rungs on the ladder. People who are open-minded and willing to acquire new knowledge are one of the most valuable assets in our organisations. The table below demonstrates some of the differences between the Beginner and the Expert.

Tasks	Beginners	Experts	Experts' Limitations
Making decisions	Need to review all facts and choose deliberately among alternatives	Make decisions swiftly, efficiently, without reviewing basic facts	Overconfidence ; may ignore relevant data
Considering context	Rely on rules of thumb that minimise context	Take context into account when solving problems	Difficulty transferring expert knowledge because it is highly contextualised
Extrapolating information	Lack receptors and thus has limited basis for extrapolation	Can extrapolate from a novel situation to find a solution	May base solutions on inappropriate patterns
Exercising discrimination	Use rules of thumb to obscure fine distinctions	Can make fine distinctions	May not communicate well to a beginner, who lacks receptors to understand distinctions
Being aware of knowledge gaps	Don't know what they don't know	Know when rules do not apply	May assume expertise where none exists
Recognising patterns	Have limited experience from which to draw patterns	Have a large inventory of patterns drawn from experience	May be no better than beginner when no patterns exist
Using tacit knowledge	Rely largely on explicit knowledge	Use extensive tacit knowledge to drive decision making	May have a hard time articulating and thus transferring tacit knowledge

Adapted from D Leonard & W Swap, 2005

Cultivating and Transferring Uncommon Knowledge

What we know is very much shaped by our assumptions about the world. Uncommon knowledge as a form of expertise comprises not only our own values, beliefs and assumptions, but also those we accept from other people that we admire. We should challenge our own personal assumptions as well as those of others and the organisation, and bear in mind social influences when deciding how to develop the leaders of the future.

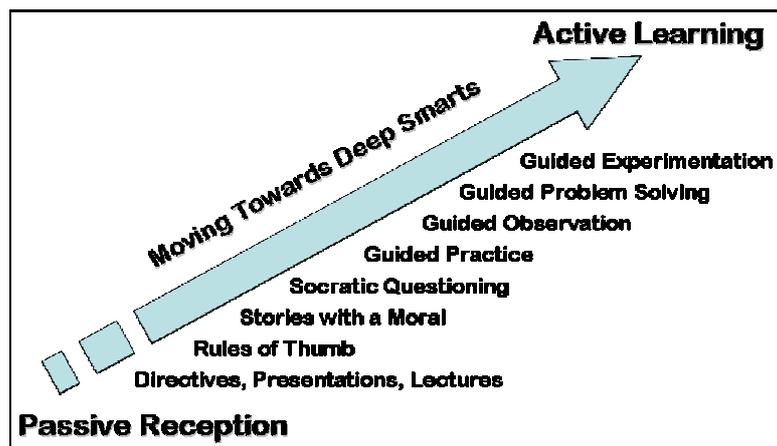


Source : D Leonard & W Swap, 2005

The figure above provides a process of acquiring uncommon knowledge (building and transferring knowledge), and shaping this knowledge (framing and filtering knowledge), which is influenced by ourselves and others.

1. **Building knowledge** takes years of practice, not only in technical expertise, but also in understanding people and processes, and applying this knowledge to find solutions in different situations. Such acquired wisdom is a key asset to organisations.
2. Our values, beliefs and assumptions which we develop over time, through our experience of life and the people around us – our personal identity – influence how we **frame knowledge**. Our decisions and actions are based on them, even though we do not often question them. When transferring knowledge we need to recognise our own values, and those of others and the organisation, and be willing to adapt. Ways this can be done are by
 - challenging our assumptions
 - changing frames – seeing things differently
 - creating other experiences
3. Our own perceptions and those of others, the influence of people and organisations we admire, are social influences that can impact how we **filter knowledge**. We can use such influences to cultivate and transfer uncommon knowledge to others.
4. **Transferring knowledge** involves the use of coaching skills and techniques, and provision of hands-on experience, to ensure the maximum retention of knowledge.

Moving Towards 'Deep Smarts'



Compliance and conformity – passive reception – rarely result in the transfer of uncommon knowledge, as the requirement does not come from personal motivation and commitment, but from an external source. However, when guided learning-by-doing is available individuals are actively receptive to absorb uncommon knowledge. Consider the following knowledge coaching techniques.

Guided Practice provides the opportunity for individuals to practise skills under supervision, and gain feedback that enables them to hone their new capabilities.

Guided Observation covers activities such as shadowing, a temporary assignment in another department or another organisation, and field trips. Through shadowing individuals follow experienced colleagues and discuss their observations with them. While working in a different department or organisation on a short-term basis individuals may broaden their experience by being introduced to different ways of thinking and behaving.

Guided Problem Solving is a way for individuals to learn from working with an experienced person on solving problems together. This provides experience of the best ways to approach issues.

Guided Experimentation provides the opportunity for individuals to experience different ways of learning with the support of experts. Discussions and debriefs with the experts consolidate the learning, and lead to quick assimilation of uncommon knowledge.

Strategies

To cultivate uncommon knowledge it is important to leverage the connections between such knowledge and organisation performance. Strategies for cultivating and transferring uncommon knowledge within an organisation may include -

- Mentoring and coaching
- Creating a Coaching Culture
- Core values alignment
- Learning by doing with simulations
- Capturing knowledge within the supply chain
- Team learning and Communities of Practice
- Participation in conferences
- Discussing knowledge gained and lessons learned after every project
- Documenting best practices
- Rewards and incentives
- Developing positions that allow semi-retirement or in-house consulting/training positions for people with the required level of experience
- Aligning knowledge management with core competencies – collaborative portals to capture problems/issues and their solutions (Oracle-Online forums to capture external tacit knowledge)
- Informal sessions : expert with questioner (Socratic questioning) and sessions video taped
- Shadowing and buddy systems
- Secondments
- Apprenticeships
- Establishing the Vision on the importance of tacit knowledge as a strategic asset
- Creating an attitude towards knowledge growing by sharing
- Experts Connect – ability to identify and quickly reach tacit knowledge
- Putting in place the right KPIs to measure and reward contributions
- Motivating talent to stay, share and grow within the organisation
- Developing tacit knowledge by assessing how certain employees impact critical decisions within the organisation. Tracking these critical decisions and identifying the decision makers and knowledge requirements of these decisions.

Below are some examples of strategies that organisations have taken.

An Australian bank treats older workers as mentors. They have also dubbed some older staff 'sages' and asked them to codify the company's informal knowledge.

A Defence Laboratories organisation used I-Space as a framework for training a network of knowledge and information officers throughout its laboratories.

A defence contractor decided to re-employ retired workers to teach new recruits about the company.

A global IT organisation set up an infrastructure to capture the tacit knowledge in the business to be converted into explicit knowledge through their KM practices

A chemicals company asks retired executives to guide younger managers

An international oilfield services organisation set up online communities of practice / Special Interest Groups to share experiences in the field.

A searchable employee database was created by a world-wide company, showing each person's areas of expertise, so that individuals could contact others for advice and guidance.

Case Study

In the late 1990s an organisation had just sold its bill-paying operations. The board met to consider a new strategic direction. As revenues were down, the feeling around the boardroom table was that the company would have to miss its earnings commitments, not only for that quarter, but for the foreseeable future. Board members were further resigned to a drop in stock price when the earnings were announced.

The CEO argued passionately against this fatalistic view. Wall Street analysts had already discounted the slower growth and the resulting decline in the top line. Lower revenues would not hurt the stock price. But deliberately deciding midway through the quarter to miss earnings was contrary to good management practices. Perhaps even more important, the CEO pointed out, if the stock dropped, employee options would be worthless – and some critical individuals might well leave the company. Such defections could hurt the organisation even more than the financial blow per se. It was nonsense that they could not make the bottom line ! He knew how to cut costs, and where to start.

The board members were persuaded by the CEO, and the next few months proved him right. Managers cut expenses and hit their quarterly financial targets, and the stock stayed steady. The course set out in the board meeting was successful, and the CEO's promise to employees that the stock would double within a year was fulfilled. What uncommon knowledge/smarts did the CEO have that allowed him to make the right decision and to sway his board ? He knew, of course, the details of his organisation's operations well enough to pinpoint areas for potential cost cutting. But he also understood the big picture, the financial environment within which he operated ; he knew how resilient the organisation could be and how to release the organisation's untapped energies. He could foresee both Wall Street's reactions and those of his employees. And finally, he understood group dynamics and the personalities of his board members well enough to offer persuasive arguments.

The CEO demonstrated an ability to do systems thinking and to dive into the details. He could pull operations details about his organisation out of his head, but he was also emotionally intelligent about his organisation as a collection of people and he understood the larger financial milieu in which the organisation functioned.

Adapted from D Leonard & W Swap, 2005

The biggest barrier to change is psychological. Young high-flyers find it hard to manage older employees, and the latter often resent being supervised by Generation Y managers. However, through tapping into the wisdom of these 'curmudgeons' and developing Guided Experiences, organisations can organically grow future leaders over time. Organisations cannot alter long-term demographic trends, but they can change the way that they cope with these trends - they can turn older and experienced employees into the very models of Deep Smarts experts.

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