Succession Planning Strategies: Capturing Knowledge & Expertise of Seasoned Talent

BY BETH RITTER
Professor of Practice, Human Resources
NC State University
Poole College of Management

Succession Planning Strategies:
Capturing Knowledge & Expertise of Seasoned Talent

BETH RITTER

Professor of Practice, Human Resources
NC State University
Poole College of Management

Beth Ritter is a Professor of Practice in the Department of Management, Innovation, and Entrepreneurship in the Poole College of Management at North Carolina State University where she teaches and conducts research about human resources and talent management issues. Prior to joining NC State, Beth was a senior vice president of human resources at Burt's Bees, which is now a part of Clorox.

Only one in three retirees were asked to help formally transfer knowledge to their successors, resulting in a potential significant loss of knowledge for the organization.

The recent "great resignation" involved large numbers of the workforce exiting businesses and taking with them valuable knowledge and experience. That exodus of expertise is likely to reoccur over the next several years as baby boomers continue to move towards retirement. Organizations that fail to plan for the transfer of talented skill and wisdom accumulated over time will lose valuable insights that will be difficult to rebuild and replace. Being strategic about how the soon-to-be exiting talent can train and equip those taking the reins in their absence can help minimize knowledge loss triggered by employees who are no longer a part of the organization.

Knowledge Loss May be an Unrecognized, but Significant Risk

Unfortunately, our research finds that both retirees and ERM leaders agree that current methods their organizations use to transfer knowledge between retirees and remaining employees have opportunities for improvement. Seventy nine percent (79%) of risk managers we surveyed indicate processes to transfer knowledge between retirees and others in the organization are either minimally effective or somewhat effective. Only one in three recent retirees share that they were asked to help formally transfer knowledge to their successors, with a majority of retirees leaving the organization with no formal opportunity to pass on important insights. Considering risk of significant loss of knowledge due to an aging workforce who may leave the organization in the next 3-5 years, 13% of risk managers indicated the risk significance as extensive, 71% indicated the significance mostly or somewhat extensive and only 17% indicated the risk significance as minimally extensive.

Assessing Your Organization's Strategies for Knowledge Transfer

In our research, we identified 11 approaches to knowledge transfer, including doing nothing, and asked retirees and risk professionals to rank which practices were most often utilized. A rank closer to "1" represents those practices most common across our survey respondents. The rankings are indicated in the table on the next page and show more similarities across risk managers and retiree responses than differences. Those strategies making the top 5 list for retirees and risk managers are shaded in gray. Our survey also confirms that most firms do not use more than 3 or 4 of these approaches.

Typical Knowledge Transfer Practices Ranked by Risk Managers
n= 119, and recent retirees, n=200 in 2021 Surveys

Knowledge Transfer Methods	Rank Order Risk Managers	Rank Order Retirees
Encouraging on-the-job training by allowing less experienced members of the workforce to formally "shadow" the employee with knowledge	1	2
Providing training and other instructor-led education opportunities for less experienced members of the workforce	2	5
Formalizing one-on-one mentoring between the employee with knowledge to a less experienced member of the workforce	3	1
Building knowledge repositories (databases) to capture critical knowledge about key processes, systems, techniques, process nuances/exceptions, etc.	4	3
Conducting "after action reviews" (Post-event reviews and documentation to preserve the process or knowledge)	5	7
Doing nothing formal to address the potential loss of critical knowledge	6	10
Using other processes not noted above	7	4
Formalizing one-to-group mentoring between the employee with knowledge to a group of less experienced members of the workforce (one-to-group mentoring)	8	6
Forming "communities of practice" involving groups of employees who regularly share best practices	9	8
Implementing collaborative software solutions (such Wikis, blogs, etc.) whereby employees record, share, exchange and enhance information about key aspects of our business	10	9
Leveraging artificial intelligence technologies to develop automated expert systems that can be used to perform tasks formally conducted by members of the workforce with expert knowledge.	11	11

(Ritter & Clark, 2023)

Proactively Managing Knowledge Transfer from Retirees to Successors

Acknowledging that while risk managers and retirees agree with the typical approaches used, neither think the current practices are effective, so now what?

Research summarized by Roy Lubrit, indicates that working with a coach or expert to learn tacit knowledge is most effective when the receiver of the knowledge can actually problem solve with the expert or learn their decision-making process flow experientially. To increase the numbers of people gaining this experience, Lubrit offers the idea that structured group discussions may be effective for knowledge transfer (Lubrit, 2010). So, it is of interest that our survey responses indicate three of the least used practices are those that allow for group interactions.

SUCCESSION PLANNING STRATEGIES: CAPTURING KNOWLEDGE & EXPERTISE OF SEASONED TALENT
Beth Ritter

When one considers how an organization might implement after action reviews, communities of practice and/or collaborative software, one quickly realizes this is about culture and structure.

Our advice for organizations is that firms should reconsider the use of After Action Reviews, Collaborative Software, and Communities of Practice. These are structured group knowledge sharing approaches or technology to support group knowledge transfer and interaction.

Let's consider each approach as an opportunity for improvement

1. **After Action Reviews** - The reviews have a tradition in the Army and are a "look back" review of activities. Questions are asked and answered after a key activity occurs. Post event reviews and documentation preserve the process or knowledge for others to learn and allow organizations to assess achievement and to consider ways to improve for the future. One can imagine that the sessions would be helpful to those trying to learn about a critical area of expertise and that the documentation could be helpful in future settings.

2. **Communities of Practice** - These groups of employees regularly share best practices to build organization competency. They support internal professional development and allow work to occur across organizations. These are often cross unit groups that gather different hierarchical levels of employees to focus on a specific discipline or knowledge expertise. Their entire focus is on knowledge transfer and competency building so it is understandable that they support knowledge transfer practices.

3. **Collaborative Software** - Use of technology can enable group interactions and knowledge sharing. Data available in real time for and from multiple sources allows connection and communication to occur virtually. Different generations of employees can collaborate in tools such as wikis, blogs, instant messaging apps, and project management software across geographies and time zones. These tools allow employees to record, share, exchange, and enhance information about key aspects of the critical knowledge area and could enhance successful knowledge transfer.

When one considers how an organization might implement after action reviews, communities of practice and/or collaborative software, one quickly realizes this is about culture and structure.

Risk professionals can

- Encourage organizations to learn and adopt these new ways of working to support a culture of knowledge transfer and

- Identify critical knowledge areas and then encourage more structured group interaction between employees and those who own critical knowledge and those who may pursue retirement to help reduce the risk of knowledge loss associated with aging employees.

To do so will support the management of risk associated with the aging of the workforce. The absence of any kind of focused effort to transfer knowledge from more experienced to less experienced personnel can result in employees left to lead the organization who do not possess the necessary training, experience, skills, or capacities to effectively complete the tasks assigned to them (Durst & Zieba, 2019).

References:

Durst, S. & Zieba, M. (2019) Mapping knowledge risks: towards a better understanding of knowledge management, Knowledge Management Research & Practice, 17:1, 1-13, DOI: 10.1080/14778238.2018.1538603

Lubrit, R. (2001). Tacit Knowledge and Knowledge Management: The Keys to Sustainable Competitive Advantage. Organizational Dynamics, 29(3), 164 - 178. https://doi.org/10.1016/S0090-2616(01)00026-2

Ritter, B. M. & Clark, R. L. (2023) Tapping into Retirees to Bolster Knowledge Transfer. The Journal of Total Rewards, Q1, 8- 20.