

## **Facilitating knowledge transfer in the workplace: capturing and distributing the knowledge of mature retiring managers**

Vocational Education and Training involves both learning for work and learning at work and research needs to inform both of these critical practices. The shift towards knowledge-based work has accelerated the need to ensure that that learning at work through knowledge transfer and workplace learning practices is an integrated feature of organisational cultures. This paper focuses on what organisations are doing to ensure that the knowledge of retiring managers is acquired by the staff who will succeed them. The paper reports on a mixed methods study that involves a broad survey and subsequent interviews. The participants were human resource and development managers. They responded to a range of questions that probed what their organisation was doing about harvesting and distributing the knowledge that was held by their mature managers who were entering the final phase of their working life. The study used a structuration perspective as a framework for the investigation and the analysis. The results indicate that a surprising is a lack of resources and strategy being applied to this critical area of learning. The paper indicates through an adapted structuration model how manager of learning within organisations should generate such a learning change.

### **Introduction – lost knowledge as mature managers retire**

Vocational education and training (VET) is diverse a field permeating secondary and tertiary education as well as industry and commerce training programmes for current and future production needs. The focus on physical skill training in preparation for working roles has increasingly been extended by programmes focusing on cognitive skills and knowledge

acquisition, with the automation of the primary and secondary industry sectors now requiring less than one fifth of the workforce (ABS, 2010). Knowledge work and services that are continually tailored to changing environment have largely displaced the regimented mass production roles of past production modes. This paper will focus on the increasingly important and specific issue of knowledge transfer from mature managers to their successors within organisational with the question: *how do organisations harness the knowledge of their mature retiring managers?*

As a research subject, VET is subjected to critical review from a wide range of perspectives. There is a continual review of inputs and outputs to evaluate the impact of formal educational expenditure and the broad national effectiveness of curricula, assessment and teaching. There is also a focus on learners, employers, teachers and facilitators to gauge the individual impact of learning, and investigations into equity to discover who is included and excluded from the opportunities provided. In addition, modes of delivery, relational alliances, partnerships and technologies are reviewed to gain an understanding of what mechanisms support effective learning environment (AVETRA, 2014). This paper focuses on *workplace learning* rather than education and training in preparation for work. What also characterises this paper is that it focuses on the restructuring of informal patterns of learning in the workplace. Learning that attempts to make explicit the knowledge held with the organisation and to ensure that such knowledge is transferred from employee to employee. At no time is this knowledge transfer more important than when mature managers, with considerable experience and expertise, reach a point in their working life when they are planning to retire. How should a company harvest and reinvest the knowledge capital that has been accumulated?

The demographic landscape of organisations highlights the importance of this issue. There will be ever-larger numbers of retirees in the next decade with fewer managers available to replace them. This study was structured to develop understanding of what organisations in

Australia were currently doing about this problem, and uncover what strategies might have the greatest utility. Not only will it be a challenge to numerically replace those employees with suitably qualified staff but the situation will be exacerbated the managers who take on those roles lack the learned experience knowledge that has been accumulated through many years of organisational experiences and relationships. While many studies over the past decade have focused on knowledge management systems and knowledge storage (Frappaolo, 2008), this study focused on organisational learning systems that might facilitate the flow of knowledge to a new generation. What are managers doing to harness the embedded knowledge of their mature aged managers and transfer that knowledge to the next generation of managers.

The problem this study investigates can be illustrated with a recent experience from a National VET research project. During a longitudinal study to evaluate a learning programme in a major Victorian public sector organisation, there was a change of senior HRD leadership. Sometime later, the new manager convened a two-day seminar to review programme progress. Considerable time was allocated to the collaborative construction of program logic objectives for the initiative to measure impact. I was invited to attend and present at the seminar. I sat amazed as I realised that none of the current leadership team had been briefed by their previous leaders, and did not know about the detailed intranet resource that indicated appropriate KPIs for judgement. Mature managers had left the organisation carrying with them vital information that was just a click away from the new leaders who now invested many hours to recreate what was already known. How knowledge is passed and cascaded to others within organisations is critical to sustainability, development and productivity.

While there is substantial evidence that this issue is a growing problem for business, little empirical evidence exists in Australia about what organisations are doing to capture the knowledge of their management workforce before they exit and retire from their workplace.

### **Literature review – managing workplace learning and structural change**

Underpinning this study is the compelling demographic argument for the investigation. By 2050 nearly 25% of the projected 36 million population in Australia will be aged 65 years and over (ABS, 2010). Similarly, in a mirrored effect to population ageing, the 15 – 64 working age group is predicted to slow to almost zero growth by 2044-45 due to three factors (ABS, 2006). First, the boost in the birth rate between 1946 and 1964 (*the baby boomers*) now means that this group is in retirement mode. Second, there is a decline in the 15 – 64 working age population with a paucity of young entrants coming into the workforce. Third, the 20<sup>th</sup> century trend toward earlier retirement has been reversed post Global Financial Crisis in the 21<sup>st</sup> century with extended working lives. However, the net result is that there will be fewer skilled managers available to fill increasingly vacant posts. Ensuring that the new managers have gained the knowledge of their predecessors will be important if the declining productivity rates are to be reversed (Slagter, 2007; Toossi, 2007).

In terms of the workplace learning perspective of this study, there has been extensive literature on workplace learning emphasising the collective, collaborative, and cultural nature of the assimilation of knowledge in the workplace (Senge, 1993 Wenger, 2000). Simultaneously, knowledge management systems have become a common in organisations, attempting to turn the tacit to explicit and link increasingly disparate and fluid organisations to a common knowledge core (Zeleny, 2007). However, while there is considerable guidance about how to carry out effective programmes of competence based workplace learning, organisational learning and mentoring there is no study that directly addresses the concept of

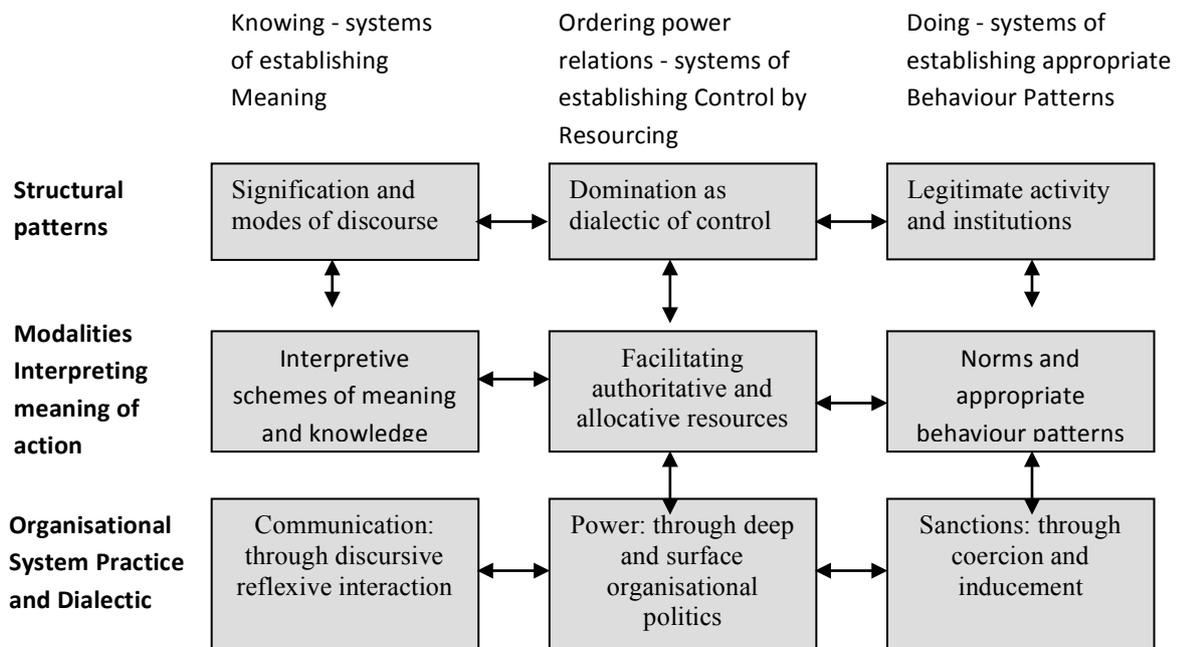
cognitive apprenticeships between mature managers and their successors (Berryman, 1993). This study intended to produce evidence that might guide practice in this area.

An investigation of workplace learning can be approached from several perspectives. Learning theories provides a number of models that can provide a framework for exploring the subject and analysing the data (Engestrom, 1999: Poell et al 2000). The relationships between the learning system and the production system are at the core of several approaches where the power relationship of the participants is critical in determining what will be learning, by whom, and when (Billett, 1993). These relationships reflect and perpetuate the culture and current climate of each organisation. However, this study approached the issue from a management perspective. What was being managed and how? Perhaps more importantly, how could managers charged with what is a critical responsibility, change the established patterns of the organisation? It appeared that even when organisations could clearly announce what learning was missing or required the political process of gathering resources and designing and enacting learning systems was a complex dilemma (Law and Hassard, 1998). There were often significant organisational gaps between what was perceived as necessary learning and how this was translated within the organisation and the concepts and methods were distributed and enacted. Several authors have found that Giddens's Structuration Theory (1984) can be adapted to explore patterns of organisational change. It is a particularly relevant framework when investigating learning in organisations because it maps how organisations change or learn.

Previous researchers position learning and change in organisations as a 'sense-making process' (Bartunek et al, 2006). The actors within the organisations have to find new meaning for the 'mutual adaptation' described by Berman and McLoughlin (1975) to be generated within the organisation taking learning off a plan or schedule and into everyday practice. The

dialectic during such periods is often full of contesting discourses as managers and participants act as change agents and change resisters as expressed by Ford (2008). As Amiot et al (2006) indicated, even where such learning is directed and legitimised just because there is authorised direction it does not mean that the process is supported or enacted by the managers and learners. There is often a gap between organisational intentions and subsequent practice (Legge, 1995). To explore this perspective of the problem we adapted the work of Giddens (1984) drawing together a framework for our exploration. His seminal Structuration framework was created explain change processes in wider society, but forms a suitable base for exploring how organisations might change learning practices. From Giddens's perspective (1984), the organisational culture shapes the actions of individual learners within organisations who simultaneously reshape that culture. In social terms Giddens defines this continuous and reciprocal relationship between people and their social structures as *structuration* – a duality (Giddens, 1984, p.32). To understand how this framework provided a base for the study it is necessary to provide an overview of the theory. Giddens bases his 1984 structuration model on three features; the *structures*, *the systems* and *the modalities*. In the model, the *structures* are the rules and patterns that bind social systems. The *systems* are the observable patterns of practice and relations occurring between individuals and group based networks. Operating between the structures and systems are the *modalities*, the meaning generating processes and are the bridges between the structures and systems, conversations and actions that act to *mediate* the existing structures and systems. Structures 'direct' how people should behave, and the systems are how people coordinate day-by-day. The modalities are the discussion around the water cooler and the hallways that are responsible for questioning, alternative production and the engine and seeds of change (Coopey, Keegan, & Emler, 1998, p.270). The discourses emerging from the modalities influence the existing structure and systems, generating changed organisational practices and

culture in a continual cyclical fashion. Learning practices will probably not change by a management edict, but they may change when local discussion is generated by managers responsible for learning. Figure 1 depicts the dynamic components of Structuration theory modified and reinterprets the model in organisational learning terms.



(Adaptation of model from Barratt-Pugh 2007, which is based on and adapted from Giddens's, 1984, p.29.)

**Figure 1: Dynamic components of Structuration Theory in organisational terms**



Structuration theory therefore provides a useful template to understand and map organisational change, learning architecture and processes. Organisations are always in a state of change through the interactions between the modalities, structures and systems. However, in this case where rules and practices need to be adapted, what strategies are more likely to instigate sustainable change and generate continual learning patterns to prevent the knowledge of mature managers walking out the door within their heads?

### **Mixed method approach**

This study addressed the central question - *how do organisations harness the knowledge of their mature retiring managers?* The field study was designed to explore activities, processes and mechanisms being utilised to generate learning from mature managers. This was a mixed methods study (Creswell, 2014) that consisted of a pilot study and then a two-phase field study. First, a survey was used to gather a broad and wide picture of how organisations and managers were responding to their demographic challenge and the related knowledge and learning issues from 282 completed survey returns. Second, the study followed up on the network and snowball leads from the first phase through interviews with 42 managers about what they were implementing, and what issues they were encountering. This approach was taken because there was no similar detailed investigation from which to build. Therefore this study needed to map what was occurring in the field, how it was being implemented and what impact resulted. The study was designed within an adapted framework of Giddens's model (1984), with the instruments constructed so that the data collected would both respond to the key research questions but also inform the adapted conceptual framework. The study received full clearances for ECU ethics committee and was carried out with agreed survey and interview protocols that ensured full confidentiality and anonymity for participants.

### **Findings – survey results and interview responses**

This section will provide an overview of the two main phases of the study. First, the findings of the survey are reviewed to highlight the broad picture emerging of how organisations and managers are recognising and reacting to this challenge. Second the paper reviews the perspectives expressed by managers in the interview phase that followed.

*The survey findings* indicated that respondents estimated that between 5 – 20% of their workforce was in the target group of mature managers over 55. However, 21% of the organisations did not believe that this was an issue that was worthy of strategic focus or resource expenditure. Indeed, most organisations had no intention of initiating knowledge management plans into their organisations or developing programmes for knowledge transfer from their mature managers. The majority of organisations were not concerned about the impact it would have on their business practices. In addition, the majority of respondents were not aware of the Federal Governments incentives to keep older employees in the workforce. Those organisations that did recognise the issue as important, indicated that challenging collaborative work projects (90%), and providing a flexible working environment (91%), were effective platforms for knowledge transfer and learning. The majority of respondents indicated that poor communication strategies and knowledge management policies (64%) and lack of reward incentives (63%) would inhibit such learning activities. When asked about what resistance they experienced in implementing knowledge management there was a unanimous response from respondents that lack of time (98%) and other work responsibilities (96%) were the main factors. There were mixed messages about who had responsibility for managing knowledge. Many of the respondents saw it the responsibility of everyone to manage such systems, but most managers indicated that this was not being done well in practice. No organisation had a responsible co-ordinator to manage their knowledge management and learning activities for mature managers. The managing responsibility for such systems was almost exclusively the preserved territory of the IT

department, with managers indicated that the primary thrust of such action was knowledge storage. Very few respondents indicated that there were human resources interventions in managing knowledge from an HRD or strategic learning perspective.

*The interviews* confirmed the broad findings of the survey and mapped a landscape with little strategic emphasis on the problem in question. Even where managers perceived the issue as a problem, they had been unable to effect change and learning activities much beyond induction handovers.

*There are no identifiable KM practices in this organisation - We do not have specific knowledge management practices to specifically disseminate knowledge from mature managers - Nothing beyond formal and informal handovers.*

Several managers indicated that knowledge management was seen as an IT issue rather than a learning issue and not linked to succession planning.

*Don't know about knowledge management systems, but we have very good IT support to help us when we get stuck you know.*

Managers had difficulty in placing this issue onto the organisational agenda. Even where managers had identified the issue as a challenge, they found limited political will to invest in knowledge sharing and learning practices that might harness the lessons already learned.

*How do you tie this to quantifiable success and improvement? We can all believe and support in this, but investment (in time, money, MBOs) often must first come with exec buy-in, and if they're not convinced with the initial message, how can we show them the money?*

Where managers had invested in developing practices and relational activities project workshop and mentoring were the preferred structured options and strategically targeted.

*We run "Communities of Practice" - online environments that collect and build on specific knowledge. Senior employees are expected to contribute and in many cases "run" the community. We run competitions for innovation and contribution to the technical expertise of the business. Senior employees both contribute and judge. - We use mentor pairs whereby a senior member is partnered with a second person in mentoring roles. - So, the object of the game is to capture your main processes and "lessons learned" and keep adding and updating as needed. You obviously don't try to capture ALL tacit knowledge from every employee that leaves. You ID the areas that would create the most pain/cost. - We have mentoring programmes for developing high flyers and processes for handing over job responsibilities.... when an employee either plans to resign or retire. - Phased in retirement programmes and mentoring of younger workers.*

The irony was that managers were well aware that a lack of action in this area carried significant costs in the longer term. When asked about the effect loss of knowledge would have on their business operations, there was a general consensus that it could severely impact on their business operations

*...time consuming to fill the knowledge gaps, as well as difficult to replace managers. –  
Frightening. I don' know exactly (in dollars).*

There was strong evidence that most organisations relied on informal and at best random practices to harness mature manager knowledge

*We use our experienced people as 'buddies' to coach new people, but it is not necessarily nearing retirement age that it happens. It is just a natural way of doing it". - ....sit someone in their office for a couple of weeks and hope osmosis occurs....although the concepts are "poorly communicated to all employees"*

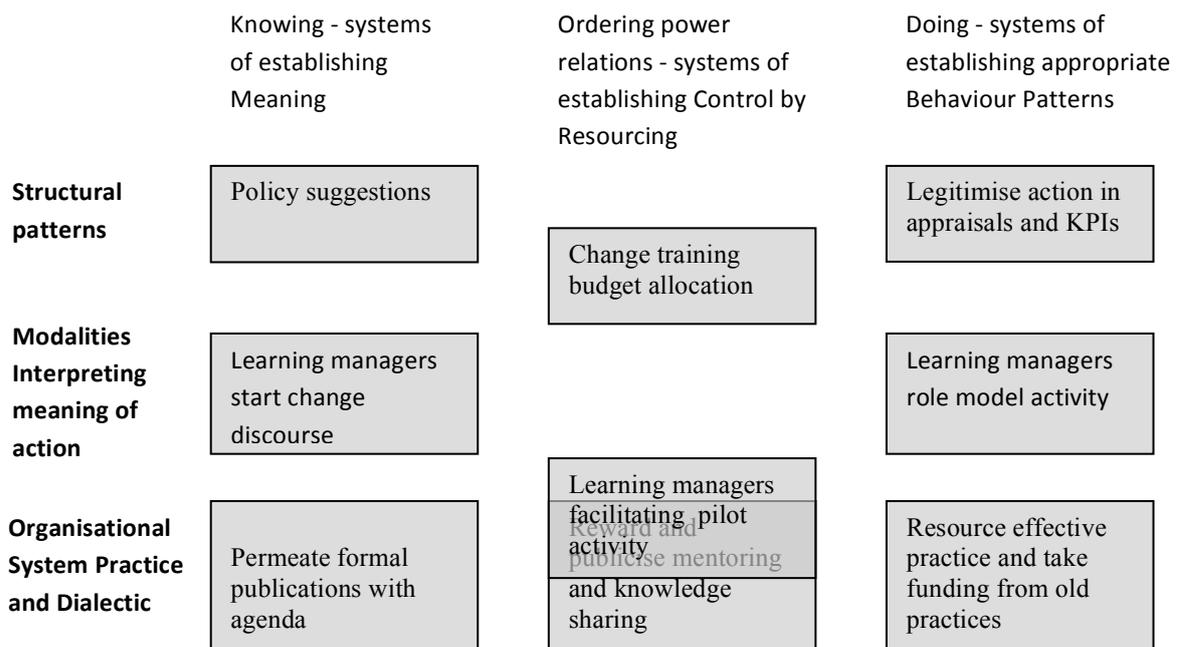
In summary, the interviews confirmed a lack of awareness of the issue, limited strategic approaches, and all too often ad-hoc or IT based approaches.

### **Discussion – limited change requires a new strategic agenda**

In response to the research questions that drove the study the fieldwork found a surprising lack of activities, processes and mechanisms being utilised to generate learning from mature managers. There was evidence of some of good practice, but not enough to constitute a robust base for a model. In contrast, the study evidence indicated that managers of learning need to take primary discursive action to generate discussions and conversations that instigate an organisational agenda. The study indicates that managers of learning need to build a strategic approach to the issue that is allied to succession planning and emphasise the need for resourcing collaborative learning practices rather than knowledge storage systems. Failure to do so will result in the loss of valuable learning and productive capability in the next decades. These findings indicate that managers of learning should focus on building an organisational agenda and the structuration model provides a framework to suggest how that might be affected.

In organisations (see figure1), *structure* exists only through performativity, and currently there are few performances facilitating this vital knowledge transfer. Existing structures and systems can only be changed through working the modalities, changing dialectic, shifting power relations and legitimising new practices. Only where changes in practice are continually reproduced do repeated patterns form a changed learning culture (figure 2). Of course, it is not as simple as writing management policy. The lack of policy and practice will reflect the limited organisational discussion about the issue. For managers of learning the first essential is to generate a conversation about the needs and benefits of such practices. Second, they need to stimulate pilot activity to permeate the system. Third, they need to work with

managers to install such activity as a KPI on appraisals. These discourses will build and agenda that should be aligned with company strategy. Where this is done successfully the platform will be constructed for changes in policy, legitimising subsequent learning system developments. Currently, in most cases this discussion within the modalities is absent or weak and therefore the resulting system practices in most cases do not operate or operate effectively. The cycle between structures and systems remains the same. The knowledge largely leaves with mature managers and is only saved and cascaded by keen individuals, but not systematised for institutional change and development. Giddens's re-adapted (1984) framework, figure 2, is useful in tracking and suggesting strategic action for learning change within the imperatives of the organisational politics.



Barratt-Pugh 2007, which is based on and adapted from Giddens, 1984, p.29.)

**Figure 2: A Structuration approach to cascading knowledge transfer and learning.**

**Conclusion – learning managers lead internal change agenda**

This paper has reviewed a study that investigated what actions organisations are taking to ensure that the knowledge of their mature managers is being cascaded to the next generation. Academically this study adds to the existing stock of knowledge about managing organisational knowledge flows and changing organisational learning cultures, confirming the usefulness of and adapted structuration approach. Pragmatically, it provides learning managers with a reasoned agenda for change. The study finds that there is a *lack of a strategic approach* to the issue despite the clear demographic need for significant management succession planning. Where the need for such learning is recognised, resources tend to be focused on IT activity rather than learning relationships and practices. In the public service there is often a compliance approach, while some HR Managers within enterprises have a more developmental approach involving mentoring and collaborative project engagement. This study of health, finance and educational and public service sectors indicates that there is limited attention and resources being allocated to this workplace learning opportunity. Indeed it indicates that succession planning and learning is often a subordinate or opaque programme. From a structuration perspective, structures show little change, practices are limited and there is little internal conversation for change. Managers of learning will need to generate such conversations and highlight the need for such pilot learning programmes, otherwise there will be no change toward knowledge sharing programmes and such learning will be ad hoc, with significant corporate knowledge leaving as mature managers retire, placing increasing pressure on national productivity.

**Organisational  
System  
and Dialectic**

Managers discuss  
needs and practices -  
provide role models

New practices are  
named and  
sequenced

Adopters rewarded  
Recalcitrant moved  
on or out

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