

## Case Study

### Client Profile

A state transportation agency

## Knowledge Management: Preventing Loss of Critical In-house Expertise

### Business Issue

Recognizing that nearly 75 percent of its employees were potential candidates for retirement within six years, a state transportation agency needed to create a knowledge management system that prevented the loss of critical procedural expertise resulting in increased program costs.

### The Solution

The agency engaged Partnership Continuum, Inc. to deliver its Leadership Foundations program to the agency's supervisors and managers. Action Learning Teams addressed specific organizational issues, identified in advance by executive sponsors. During the program, participants assessed their own interpersonal skills, learned new interaction techniques, and applied their learning to solve problems in a team setting.

**Root Causes.** Using a six-step problem-solving methodology, the team identified four root causes:

- (1) Loss of knowledge was not a priority with supervisors
- (2) Accelerated pace of knowledge loss due to changing demographics and technology
- (3) No formal knowledge transfer process in place to capture existing knowledge
- (4) Younger employees changed jobs more frequently than previous generations, exacerbating the problem

Doing research, a team working on knowledge transfer discovered 95 percent of offices responding to their survey did not have a consistently applied process to retain and transfer undocumented working and procedural knowledge.

**Recommendations.** The team's recommendations included:

- Incorporating knowledge transfer as a job competency
- Overlapping hiring and departure times so incumbent employees can spend time with replacements
- Establishing a management taskforce to develop expertise, design knowledge management infrastructure, and supervisor training on retaining knowledge within a workgroup

## Results

The team estimated that the cost of doing nothing was \$4.15 million annually. The recommendations cost was \$750k for initial implementation with an annual cost of \$1 million to maintain.

The client is now recognized in the US transportation industry as one of the forefront leaders in knowledge management. Executive leaders have participated in national meetings sharing their best practices with other state departments of transportation that share similar demographics.

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