

Identifying Future Leaders Through Knowledge Management

Simply retaining knowledge within an organization does not ensure its survival unless talented employees are ready to leverage that knowledge. Changing demographics within the petroleum industry raises concerns for the coming decade including the identification, development, and retention of an organization's future leaders. An existing, advanced knowledge-management (KM) community gives an organization's upper management a unique view of key employees' ability and willingness to solve technical problems, communicate, innovate, influence peers, and lead group consensus.

Introduction

A primary reason for failed KM initiatives is that companies do not realize the benefits that can be derived from collaborative KM systems beyond providing a more efficient means for employees to solve problems. An alternative perspective is to use a KM system to identify, evaluate, and develop emerging leaders.

The industry's challenge of recruiting, developing, and retaining a global workforce is well documented and frequently discussed. Charts showing the age distribution within professional organizations, such as SPE (Fig. 1), illustrate that the majority of the industry population is approaching retirement age, and either an insufficient inflow of younger professionals is available or there is too little time to develop

younger workers to fill the void left by outgoing personnel. Frequently, these eventual retirees are the most experienced and knowledgeable employees in the organization and will leave with irreplaceable expertise in the form of tacit or undocumented knowledge unless there is a system in place that combines organizational ability to learn, retaining key staff, and making a knowledge-sharing culture a reality.

Knowledge retained by an organization without new capable leadership to leverage that knowledge would never benefit the company. Succession plans can be a first line of defense to ensure that replacement candidates are identified for all key employees. However, even if these programs rely on managers and other key employees from locations wherever the company does business, there is potential for personal bias when asking any key employee to nominate a successor for a role. Better or equally suited candidates unknown to upper management may not be identified.

Another potential drawback may occur when an employee recognized by peers as a "rising star" is nominated by several managers and is placed on several succession plans. As with personal bias, when identifying potential successors, one employee nominated to succeed too many roles is an indication that the organization is not reaching far enough into the employee population to identify a more diverse group of future leaders. If an organization is to survive, it needs to develop strategies to ensure that the best candidates are identified to fill key roles.

Specific ways that KM is used as a tool to improve succession-planning methodologies include the following.

- Use new techniques to identify the right people to lead the organization in the future by use of collaborative KM tactics.

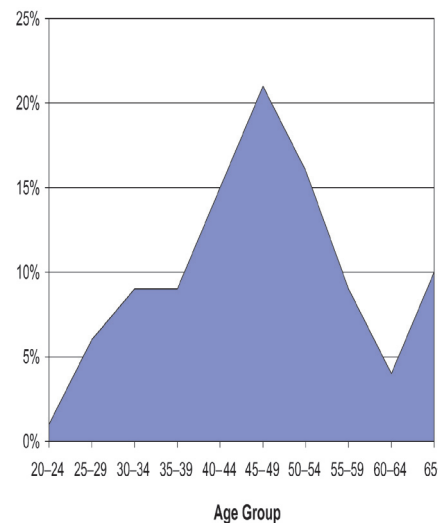


Fig. 1—Percentage of SPE members by age in 2004.

- Use KM to help evaluate candidates for open positions.
- Use KM in succession planning.
- Integrate KM into career and performance planning.
- Use new methods for developing emerging leaders.

Identify Future Leaders

One can think of KM—specifically, collaborative discussion—as upper management's window into company operations. By scanning the contents and comments in recent discussions, managers can take the pulse of the organization quickly. This window is not limited to current operational challenges and technical solutions; it also provides a unique view into the abilities and motivation of employees who collaborate.

The collaborative discussions are self-policing in that incorrect, erroneous, or irrelevant contributions are corrected, clarified, or dismissed by other contributors. All exchanges are kept positive

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For a limited time, the full-length paper is available free to SPE members at www.spe.org/jpt. The paper has not been peer reviewed.

and constructive through facilitation by the administrative team. Employees who post inaccurate information or hold misconceptions about technical issues still learn from an exchange in the community but are recognized as requiring additional guidance from the community at large. Emerging thought leaders tend to be employees who naturally garner respect of their peers for innovative thinking and technical ability. The feedback posted by other community members frequently shows support for the ideas and solutions posted by these emerging leaders. As natural thought leaders in the organization, it follows that these employees contribute more frequently and with greater detail than most other community members.

Because the collaborative nature of the communities of practice provides a window into the operational issues that employees are trying to resolve for customers, it also provides visibility to individual employees' abilities, regardless of where the employees may be based. All employees, even in locations far from corporate or regional management, have the same opportunity to share knowledge and ideas relating to any aspect of the organization's business. Collaborative tools enable anyone to affect the organization positively, regardless of their current role, whether in engineering or support roles such as laboratory, business development, marketing, R&D, or supply-chain management.

The community administrators can help managers in this arena because managers are not expected to read every exchange in every collaboration. However, the administrative team reads every comment and question posted to the collaboration tool. The team also talks with members of the community frequently, tracking community and user metrics; therefore, it has additional insight regarding which participants are emerging leaders.

Use of this information to review the contributions of emerging leaders provides an impartial means to generate a list of talented leaders and technicians rather than depending only on recommendations from other managers or on rigid career paths to select candidates for new roles. The organization can look at what the entire community says regarding (or how it reacts to) an individual's abilities and collabora-

tive contributions. The result is a wider base of candidates with diverse backgrounds and global experience who may not have been considered for advancement through more traditional organizational channels.

Succession Planning

During periodic review of succession plans, the candidate list for any position can change or evolve. For example, employees on existing plans may accept other roles in the organization or choose other career paths in the organization that may be aligned better with their long-term goals. In the KM community, administrators provide a list of power users. This quarterly list comprises employees that are recognized for above-average performance on the basis of various KM-user metrics.

The power-user list provides an alternative vehicle for employees making an outstanding effort that positively affects the company to gain recognition for their efforts, independent of immediate-supervisor acknowledgment. During the periodic review of succession plans, the power-user list is consulted to find employees not previously considered who should be candidates in succession plans or for further development. Generally, this list begins dialogue among managers regarding employees on the power-user list, and with the help of the KM community's administrative team, employees on the list can be more thoroughly evaluated. There are many other criteria that the company uses to determine if an employee is a good match to fill a key function, but the power-user list has proved useful to ensure diversity in candidates.

When managers develop succession plans, they also should consider the critical traits necessary to fill key roles. This step is particularly important when considering successors for leadership roles that set the direction for the entire organization. On the basis of critical traits, collaborative activity can help demonstrate the best fit between identified emerging leaders and key roles. An evaluation of employee contributions also may identify traits that need additional development before the employee is ready to take on the key role.

Developing Identified Leaders

More-rapid and -rounded development of identified leaders results from

everyday exposure to a broad spectrum of both technical and nontechnical topics that affect the organization. In general, the KM community's administrative team shares the benefits of the KM effort and, in particular, shares outcomes and lessons learned from specific collaborative discussions with the entire community through value moments, case histories, monthly reports, and training events (from management reviews to curriculum in courses for new engineers). This sharing supports dissemination of captured knowledge rather than simply capturing the knowledge.

As organizational culture and structures change, it is increasingly important for employees to share knowledge. Because future leaders are more likely to be among the most active participants, they will receive the maximum benefit of a global awareness including challenges, successes, lessons learned, customer needs, new technology, organizational structure changes, and strategic direction. This awareness accelerates knowledge, potential, and empowerment to make decisions and act on information as opportunities arise.

Future leaders need a strong personal network to effect change effectively and advance within the organization. Participation in the community enables developing a personal network within the organization. This network is critical in creating trust and increasing the flow of information across the entire enterprise.

Conclusions

Simply retaining knowledge within an organization does not ensure its survival unless talented employees are ready to leverage that knowledge. Emerging leaders demonstrate their ability to create and leverage knowledge, build group consensus, and innovate through their contributions to the community. These leaders use KM to positively affect their customers and the entire organization on a regular basis.

A dedicated KM support team can assist management to identify and develop these emerging leaders. The result is a larger and more diverse pool of candidates from around the globe for open positions and succession planning. Review of critical traits and peer recognition provides upper management with a more impartial means to select candidates.

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