

Michael Simpson  
of Watson Wyatt  
extols the benefits of  
knowledge management.



# Higher Learning

Interview by William Powell

**A**t last count, 250 learning and knowledge managers have worked their way into the executive boardroom, and that number is on the rise. Michael Simpson, senior consultant with Watson Wyatt's Organization Effectiveness practice, San Francisco, talks to *T+D* about the recent emergence, evolution, and increasing power of the knowledge executive.

**T+D:** If you would, provide us with a bit of history regarding the origins of learning and knowledge executives. They seem to have appeared only within the last few years.

**Simpson:** Actually, those particular job concepts have been around for nearly a decade. But it hasn't been until the past three to four years that we've seen them in significant numbers.

In the mid-1990s, maybe sometime before, but clearly in the early to mid-1990s, organizations gradually began to realize a change in conjunction with the emergence of the knowledge economy. That change was that we no longer valued employees' output but employees' potential. Of course, it wasn't something that just popped up; it was coming for a long time as our economy became a little more service-oriented and a little less product-oriented. The shift raised the question that if we don't need to manage the widget the way we used to, maybe there's something else we need to manage instead. And that was human resources.

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There has been this whole movement around human resources . . . and of the thought that if this is our greatest asset, then why aren't we focusing on it? Why isn't our organization giving it more attention? But, as many of us know, substantiating the need for that is sometimes a little more difficult than, say, the need for more costs or investments. That's probably why we haven't seen these positions sooner.

**T+D:** What's the most appropriate term to use regarding learning or knowledge executives? Is it accurate to lump chief learning officers and chief knowledge officers into the same category?

**Simpson:** In their infancy, you heard the terms *knowledge management officer* or *chief learning officer* used interchangeably. As [the positions] have grown within the past year or so, those two descriptors have started to take two different paths and, therefore, started to describe two different functions. That isn't to say that all organizations use [the titles] the same way. But I'm starting to see a trend in which organizations prefer to link the role of knowledge management officer directly to the idea that institutional knowledge is a floating asset in need of capture. That's the knowledge management officer's job: to capture

institutional knowledge and maximize its potential.

So, to clarify the last statement, the knowledge management officer tends to focus more on knowledge as an asset. How do we maximize it, how do we realize our return on it, how do we make it available?

The other role in this divergent evolution is the chief learning officer. The CLO is evolving into a role in which learning is considered something much more dynamic, and it's frequently becoming

the CLO's responsibility to nurture that dynamism in the course of developing a learning organization. He or she is concerned with how we foster a culture or environment that puts a significant emphasis on learning.

**T+D:** Can a learning or knowledge executive alone create a learning organization or learning culture where one previously didn't exist? It seems like a pretty tall order.

**Simpson:** What we're getting into is a little bit of culture change. If you look at the introduction of a knowledge or learning officer, the function, it needs someone to manage it and to encourage it. But if you don't have the standards in place and the support of the CEO—and by extension, the CEO's management team—you're not going to end up with a learning organization. You're going to end up with isolated pockets of knowledge. You're not going to be able to share and transfer knowledge effectively.

I don't think that you can instill a learning culture without direction from the top. The knowledge or learning officer just can't do it alone. He or she can take only what's already there, what the group is already begging for, and then lead them to it. When the desire for a

learning culture isn't in place, it's an even greater struggle. That isn't to say it can't be done, but it's a much greater struggle.

**T+D:** The expectation for those positions does seem high, as does the hype. Is this just the latest trend in management, or is there an honest necessity for someone to step into those roles?

**Simpson:** I think there's definitely a necessity. And I think organizations can take a few steps to realize the potential up front.

But to address the word you used, *trend*, as if this is some sort of fashionable thing, I think that if an organization treats it like a trend, it will certainly fail.

The first step in determining whether knowledge management will work for an organization is to build a business case for why it needs knowledge management. Because what it might find is that it doesn't really need a knowledge management officer to take a global look, like a blimp floating over a stadium. What the organization might find is that it just needs a learning function within the HR department.

However, if a company decides it does need knowledge management at the executive level, the second step is to come up with some business metrics for how to observe and measure this investment. Those metrics can be subjective opinions, such as whether employees they feel they're improving and gaining access to new ideas, knowledge, and information. Or the metrics can be about new product development or new service lines, such as gauging a product's ease to market. If employees say that one of the reasons they're able to pull a product together is that all of the resources they needed to understand the product's development were readily available, then you have a strong case for knowledge management.

An organization will also have to apply the harder or more financially driven business metrics; otherwise, the knowl-

edge management position may begin to lack credibility.

**T+D:** What would you say is the best argument for not having a knowledge or learning executive? Are there certain companies that aren't well suited for what learning execs have to offer?

**Simpson:** Well, I suppose if you don't consider your people as an advantage, if you feel as if you've tapped the last well within your human capital, then there's probably not much of a reason to oversee the capital. I doubt that many organizations feel that way.

As for not well suited, I'd say there really isn't one type of company that isn't. Instead, to determine whether a company is in need of someone in [the knowledge executive] position, I'd ask what sort of information sharing the organization engages in—more specifically, what sort of cross-functional information sharing. If all of the information resides in one place, the company probably doesn't need this overarching position. But that's only the beginning of the criteria an organization needs to take into account when considering its need for a knowledge manager.

Cross-functional information sharing should be discussed. The theory is that somebody may be doing something in one area, which you aren't aware of, that could affect decisions being made in another area.

Service organizations, which rely heavily on people's capabilities, are probably in need of someone in a knowledge management position. I don't want to say that they need it more. Because a firm like General Electric, for example, even though it's primarily a product manufacturer, has an incredible knowledge-sharing group.

So, though at first blush professional service organizations seem to present a greater opportunity to implement a knowledge management position than, say, manufacturing, I'd say that's a miscon-

ception. You have to [look at] the information sharing [need] first.

**T+D:** I imagine that many executives may be a bit skeptical of the need for a CLO and of the fact that there's a link between company performance and management of learning or knowledge. What kind of pressure is the learning executive under to show return-on-investment?

**Simpson:** In the beginning, there's probably a lot of scrutiny and pressure. Because, as you may know, a knowledge or chief learning officer will have to ask for funds up front in order to make investments in technology and people, to invest in infrastructure. And like any other business investment, a knowledge learning investment should be held up to scrutiny; it should be challenged by executives as to whether it's a smart use of company resources.

Building both subjective and objective measures of the return-on-investment will help not only sell it to the skeptics, but also help the organization understand if it's an investment it needs to make or continue to make. In the end, employees are affected by the success or failure of the position, and that extends to your customers and clients.

Learning or knowledge executives need to think about employees and their ability to move around within the organization, access knowledge, develop through it, and transfer it into something customers want. As other executives observe how well an organization follows that process, there'll be some proof in the pudding, so to speak, that this was a wise investment.

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**T+D:** What can organizations that already have a CLO or CKO do to realize their potential in terms of training?

**Simpson:** I think that a lot of organizations are looking at knowledge officers to manage knowledge—to sort of move it around and capture it in a big database—so people can log on, do a search, and see whether they come up with something. While I think that's part of it, perhaps there's too much focus on that aspect.

The real focus should be on learning as a group. That's where the industry is going. Learning is no longer the image of a student buried in a book late at night. Today's approach is real-time, in-a-group-context learning. That's why I'm glad to see the recent differentiation between knowledge officers and learning officers.

One of the things a learning officer can oversee is how much training is going on in an organization: What is the training budget? How many people are being trained? How are they being trained? Who is making the decisions

about which training software to buy?

An organization, after it has set its mission and buying strategy, it is then in a position to decide what capabilities it needs to carry out its mission, manufacture a product, or develop services. Then, it needs to decide what it and employees can do to support those capabilities.

So, while there's a need to manage and move knowledge around an organization, there's also a responsibility to oversee the logistics of training, its costs, and the potential ROI. Training is very expensive for a lot of organizations. If an organization can hire someone to focus its needs just a little bit better, that's one more reason to substantiate having a learning executive.

**T+D:** What is the biggest hurdle for the learning executive?

**Simpson:** I'd say it's getting people to share their knowledge. If you think about it, most of us, at a Maslow-ian level, a very visceral level, retain the knowledge we have as a form of job security. Because it is. What we do, what we have, what we're able to do, and what the organization can't do without us provides us with a sense of security.

Getting people to move beyond that, not just through leadership but through using some tried-and-true mechanisms such as reward and performance management, encourages them to share their knowledge. You can talk about infrastructure and getting respect at the table and all of that, but just encouraging people to get out of their offices and share their knowledge is probably the biggest challenge.

I'm not saying that everyone selfishly refuses to share knowledge, but it does run counter to the way organizations have always operated. People tend to hang on to [what they know]. If there's someone else in the organization who can do exactly what you do, it's demoralizing. In such

cases, what it comes down to is that the reason you're there is because the organization needs more bodies, not necessarily your talent. Organizations have to understand that they need systems to encourage knowledge sharing. It's not something that will take off on its own.

**T+D:** Who typically thrives as a knowledge or learning executive? What personality type, background, work history?

**Simpson:** A people person. Of course, it's not *that* simple. The person who thrives in those positions is someone who gets along well with people and has developed his or her personal-interaction skills—who has knowledge of programmatic and technological systems, as well as a commitment to learning. That would be the ideal.

I'd also say the successful CKO or CLO is probably someone who has pursued continued development in his or her personal life as well as business life.

**T+D:** Customers are changing: They have a greater knowledge of products and higher expectations. How can CLOs or CKOs effect a change in how companies treat or relate to their customers?

**Simpson:** One of the advantages of placing a learning or knowledge officer at the top is that it allows that person to move seamlessly throughout the organization. What do we know about the product? What do we know about our customer base in terms of connecting with the sales and marketing group? I think just being able to sit in, if you will, at all of those different places, uncovers the links between customers and products and tightens the bond between them.

That gets back to the need for information sharing. The learning officer function, which is really what I'm taking about, is in a great place to see those kinds of connections that people who

are focused on their particular tasks may be overlooking. That's a useful perspective that the learning officer brings.

**T+D:** I know that employee attraction and retention is a hot topic. How can knowledge and learning executives improve retention and, ultimately, a company's performance?

**Simpson:** Research on why employees stay and why they go focuses on these areas: leadership, rewards and recognition, and career development opportunities. So, if we know that the last is critical to why employees stay or go, and we act accordingly and instill a learning culture, the better chance an organization has to provide the desired skills and the better its retention rate will be. And with greater employee development, the natural extension is better work and greater profits.

**T+D:** Finally, what is it that really excites you about what a learning executive can bring to an organization?

**Simpson:** On a personal level, I wouldn't work for an organization where I wasn't constantly developing and learning something new. It's part of trying to figure out this puzzle of life. And I think, in some way, that's what the chief learning or knowledge officers tap into. They connect to what is essentially human about us: our curiosity and inquisitiveness about the world and how we fit into it.

Learning executive is a great position if you think about. That person is able to provide us with direction in our search for knowledge. So, without getting a little soft here, it can be a wonderful thing. TD

*Michael Simpson was interviewed by William Powell, associate editor of T+D.*

*Simpson consults on a variety of organization initiatives, including organization structure and design, employee attraction and retention, performance management systems, and organization measurement.*