JIU/NOTE/2004/1
ORIGINAL: ENGLISH

KNOWLEDGE MANAGEMENT AT THE INTERNATIONAL LABOUR ORGANIZATION

Prepared by

Joint Inspection Unit

Geneva
2004

CONTENTS

ACRONYMS

CEDAB	Central Evaluation Database
CKO	Chief Knowledge Officer
EDMS	Electronic Document Management System
ERP	Enterprise Resource Planning
ICT	Information and Communications Technology
ILO	International Labour Organization
IRIS	Integrated Resource Information System
IT	Information Technology
JIU	Joint Inspection Unit
KM	Knowledge Management
NGO	Non Governmental Organization
PEIS	Project Evaluation Information Sheet
RBM	Results-Based Management
SAN	Storage Area Network
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNHCR	United Nations High Commissioner for Refugees
VPN	Virtual Private Network
WFP	World Food Programme

"The basic economic resource – the means of production – is no longer capital, nor natural resources, nor labour. It is and will be knowledge"

Peter Drucker, "The Post Capitalist Society", (1993)

I. INTRODUCTION:

1. The Joint Inspection Unit (JIU) decided to include in its programme of work a system-wide report on Knowledge Management (KM). In the meantime, it has been brought to our attention that the ILO secretariat has a special interest in the subject, which has led to the preparation of this Note. The objective of the Note is to contribute to the development of KM activities within the ILO providing the required input by June 2004, thus helping the ILO to consolidate a future KM strategy before the next ILO Governing Body meeting scheduled in November 2004.

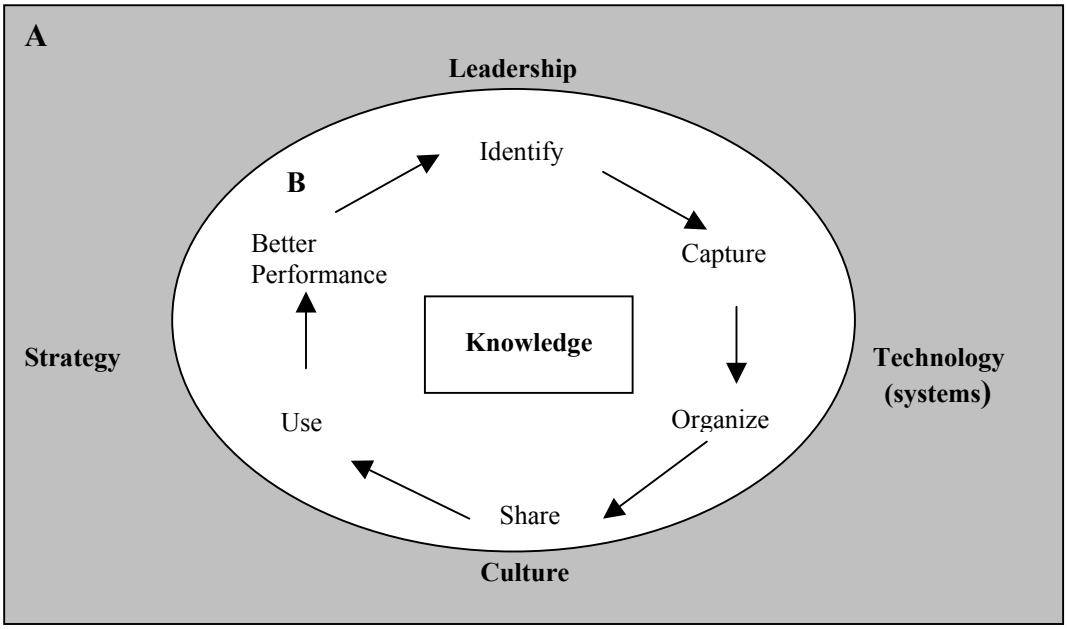
2. There is a growing consensus that the effective and productive management of knowledge is a critical factor for the success of an organization. Knowledge is a most valuable strategic resource that requires renewal constantly. Yet not many organizations have started building their capacity to manage knowledge. It is important to build the knowledge-based organization and leverage knowledge to increase effectiveness, productivity and quality; in a nutshell to improve the performance of an organization. In the ILO context, "the management of information and knowledge … covers labour and social issues worldwide …". It should be noted, however, that "it also encompasses the information needed for internal management …"[1] (see paragraph 20).

3. The term 'knowledge management' (KM) could be defined, in the context of this Note, as the systematic process of identifying, capturing and sharing knowledge people can use to improve performance. KM is a dynamic process and multidimensional in nature, encompassing information/knowledge content management, organizational aspects, information and communications technology (ICT) etc. Accordingly, any comprehensive KM strategy should take into consideration the cross-functional nature of the issue, involving broad areas of activity of the Organization, from human resources management to information and technology services. KM is not new to the ILO, although it is not applied in a structured manner. KM has progressed in the ILO through several initiatives (public website, ILO intranet, ILO InfoCentre, ILO databases available in the library and accessible through Internet, etc).

4. The KM process (roadmap) could be shown as in the chart on the next page. As defined above, this process should be geared towards constantly improving performance, which would include streamlining management practices by institutionalizing knowledge management or blending systematically the knowledge management process with normal work processes.

[1] ILO document: GB.279/PFA/6, para. 109.

II. KNOWLEDGE MANAGEMENT FRAMEWORK



A = Enablers
B = Process

A. KNOWLEDGE MANAGEMENT ENABLERS

a. Strategy and Leadership (Management commitment)

5. The interviews held with different ILO officials and the consultation of several related documents reveal that there is a need for a comprehensive KM strategy. The Organization is aware of the matter, as admitted in its Strategic Policy Framework 2002-05[2], but despite some scattered initiatives taken in the area of KM, no overall strategy has been developed yet. Here there is a critical role to be played by the senior management; like any change management agenda, KM efforts will fail if these efforts are not backed up by management (top executives) commitment and supported by a KM strategic framework. It is to be noted that a KM commitment usually requires changes in organizational procedures and resource allocation. According to the World Bank[3], the typical organization-wide KM program may need as much as five percent of the total budget.[4]

6. This Note does not pretend to provide the ILO with a KM strategy; this could only be done after a thorough study and a subsequent analysis of the Organization's needs. Instead, it intends only to highlight areas for improvement, and proposes some courses of action for the future. Once a firm commitment is provided by senior management in respect of KM, a KM strategy (either as a separate strategy or as part of an overall management strategy) should be put in place, responsibilities should be defined and resources allocated.

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[2] GB.279/PFA/6.
[3] "What is Knowledge Management ?" (Background to the World Development Report, October 1998).
[4] The large international consulting firms are believed to spend on average between 6 and 12% of revenues on K sharing activities and infrastructure. The World Bank allocation to its KM program was about 4% of the 1998 annual administrative budget.

b. Organizational culture

7. Among a number of enablers (which can also be constraints), organizational culture is one of the key factors influencing KM[5], in particular in respect of knowledge sharing. A critical step for bringing about behavioural change is to overcome the 'knowledge is power' paradigm by nurturing a knowledge-sharing culture. Several officials interviewed expressed the view that the ILO has not developed a culture that facilitates knowledge sharing. It goes without saying that this is not an issue specific to the ILO; knowledge is not shared naturally by individuals unless certain organizational resistance to information sharing applicable to the Organization as a whole (staff and management) is overcome. The distinction between management and staff is important here, since, as already indicated, management commitment is a precondition for KM and the implementation of a KM strategy usually follows a top-down approach. In order to bring forth a cultural or behavioural change, management should lead the way, encourage, provide incentives, recognize and reward knowledge-sharing initiatives among staff.

8. The current shift in most of the United Nations organizations towards a results- (as opposed to process-) oriented approach would be beneficial for enhancing KM. This is because the primary objective of KM is to improve performance for [better] results, and that there are synergies between the concepts of RBM and KM, both requiring a change in culture, promoting culture for results.

9. Each organization possesses its own organizational culture; an open, sharing culture will promote the success of KM programmes. Some organizations have made knowledge sharing an integral part of their personnel evaluation system and other organizations (such as the World Bank) are planning to follow suit.

10. Knowledge can grow exponentially when it is shared, and the required cultural change can be achieved through the combination of specific training for management and staff, as well as the development of a knowledge-sharing incentive structure. This will not happen overnight, and the promotion of the 'right' culture must be conceived as requiring continuous efforts and a series of activities built in to the daily operations of the Organization, including leadership encouragement, management behaviours, etc.

c. Information and communications technology systems

11. As noted in the ILO document[6], the availability of information technologies, particularly the World Wide Web, has been instrumental as a catalyst of KM. IT, if applied properly with adequate resources, may provide a comprehensive K base that is speedily accessed, interactive and of immediate value to the user. However, there are so many examples of conceptually well-developed systems that are neither quick, easy-to-use, problem-free in operation, or easy to maintain. The development of tools that support K sharing in an appropriate and user-friendly manner is admittedly not a trivial task.

12. The ILO's Strategic Policy Framework 2002-2005 included projects related to information management and telecommunications systems as follows:

- replacement of the old mainframe-based financial system by a modern ERP system (IRIS), with integration of the human resources information systems;
- installation of an Electronic Document Management System (EDMS) as a secure distributed repository of searchable documents of all types (text, spreadsheets, publications, e-mail, web

[5] Ernst and Young study identified culture as the biggest impediment to K transfer, citing the inability to change people's behaviours as the most important hindrance to managing K.
[6] "The defining feature of all new corporate systems is that they be web-oriented" (GB.279/PFA/6).

pages, scanned papers, images, audio and video). The EDMS is intended to provide the essential foundation for the implementation of KM;
- implementation of a Virtual Private Network (VPN) for secure voice and data communications throughout all ILO offices;
- upgrading and strengthening of the network infrastructure to keep up with new technologies and the demands of new applications;
- increased reliability and performance of network-based applications through the clustering of servers and implementation of a Storage Area Network (SAN).

13. IRIS is the most important project undertaken by the ILO in the area of information management. It is a new breed of management information system in the United Nations system and "it brings to the ILO the quantum leap required for the Organization to effectively plan, manage and account for the core activities that make up the execution of its mandate in accordance with the increasing demands for real-time information, knowledge management, accuracy, transparency, accountability and reliability of its business processes".[7]

14. "The most significant added value of IRIS lies in its integrating function, linking the various processes and operations in the ILO and therefore making available the appropriate base of interlinked information needed for sound management decisions."[8]

15. The projects referred to above are supposed to represent the technological foundations of RBM as well as KM within the ILO. IRIS is a major tool that will help better manage the Organization, while the EDMS, if well implemented, will facilitate access to the Organization's knowledge-base through the use of modern technology, and lastly but not least, the strengthening of the network infrastructure is a must for the full and satisfactory implementation of the whole ICT/information and knowledge management strategy. It is to be noted, in this connection, that some well-designed systems have failed to make the desired contributions to the management requirements of the organizations due to negligence in matching telecommunications infrastructure.

16. A very important aspect for the successful implementation of IRIS is the balance between technology and user's capabilities. Nevertheless, "weaknesses have been identified in the way in which the project interfaces with its future user community"[9]. The technology chosen should be user-friendly to the extent possible and user training programmes should be in place in order to facilitate its optimum use. The best system is useless if users' capabilities are not matching.

B. KNOWLEDGE MANAGEMENT PROCESS

a. General issue: Knowledge management responsibility (Knowledge Manager/Chief Knowledge Officer)

17. KM is frequently misconceived and confused with IT. Nowadays, the principal means of sharing K within organizations are the Internet (websites, intranets, etc.), email and electronic (rather than printed) publications and documents. This technological reality has pushed many organizations to position their IT units as the main group taking the lead for operations relating to information and de facto knowledge management, including creation and implementation of KM initiatives. No doubt technology is important, but technology is just a tool or enabler for managing knowledge. In view of this, it is important to have somebody with organization-wide responsibilities for KM. Such a person (to be called Knowledge Manager or Chief Knowledge Officer) should have a full managerial capacity in addition to the ability to understand fully how current and emerging technologies could help to capture, store and share knowledge etc. The ILO has not created the position of Knowledge

[7] GB.289/PFA/3(Add.).
[8] Ibid.
[9] Ibid.

Manager/CKO nor has it assigned the ultimate responsibility to manage knowledge to any individual[10]. Pending the creation of such a position, the initiative taken by the ILO to establish a multidisciplinary Knowledge Sharing Task Force with members from different areas, such as Library and Information Services, Bureau of Strategic Planning, Policy Integration Department, and Regions and Technical Cooperation is considered to be a positive move. It would be beneficial for the Task Force to integrate within its membership representatives from human resources, and IT management as well as from the Bureau for External Relations and Partnerships. The group should be led by a senior manager responsible for organization-wide KM implementation.

b. Steps

(1) Identification of required as well as available information/knowledge

18. First of all, the Organization has to identify who are its clients (stakeholders) and find out what are their information and knowledge needs. This is an important issue as the advance of information technologies has created a situation whereby knowledge users receive and have access to much more information than required, whether one likes it or not. This information overload should be avoided by matching, in a matrix, 'clients and needs', and by focussing on important or vital information and knowledge.

19. The information and knowledge needs of clients could be found through different mechanisms, such as questionnaires, surveys, etc. The type of client may determine the K needs and the processes and tools necessary to provide the required knowledge. Clients can initially be broken down into two major categories, internal and external to the Organization. Information and knowledge needs of Member States, for example, may be different from those of staff or management. Nevertheless, categorizing clients as external or internal will not be enough since different clients belonging to the same category may have different information and knowledge needs; obviously, the different departments and organizational units within the ILO are all internal clients, but may have different needs in respect of specifics. This implies that each organizational unit would have to analyze information and knowledge needs and a subsequent individual and specific action plan would have to be prepared. This could be done on a biennial basis as a part of the programme budget exercise. As mentioned already in the Introduction, K is constantly changing, and updates of clients' needs must be foreseen, implying that whatever means are used to find out clients needs, a cyclical process must be put in place anticipating and capturing changing needs of clients.

20. It should be noted, however, that there should exist some common needs (even if not explicitly expressed) irrespective of organizational units if the Organization wishes to move forward with better overall performance; i.e., all organizational units should be interested in acquiring information and knowledge related to improving internal management (as distinct from knowledge relating to labour issues) such as a better way of doing business (work processes), more efficient methodology and procedures, etc. (see paragraph 2).

21. A second step to be taken following the identification of information/knowledge needs is to compare the clients' needs with the K assets accumulated over the years within the Organization (which would require a knowledge inventory) to determine whether the Organization is in a position to satisfy those needs. The K inventory to be undertaken by the Organization should differentiate between usable K and that which has become obsolete; maintaining obsolete K has cost implications

[10] The World Bank undertook a survey in 2000 in an effort to understand the nature and extent of KM activities in the United Nations system organizations (ACC/2000/POQ/CRP.14); a questionnaire was sent to 40 organizations and responses were received from 20 organizations. Ten organizations reported that they had someone with organization-wide responsibilities for KM. In addition, some organizations have established a K unit, responsible for leading, coordinating, controlling and measuring the impact of the management of knowledge. In some other organizations, the responsibility for implementing KM has been assigned to technical departments such as information technology (IT) units and the role of Knowledge Manager is undertaken by the CIO (Chief Information Officer).

and should be avoided. The interviews held with different ILO officials show that the information (relating to labour issues) available at the ILO is relatively well classified; the thesaurus[11] of the ILO's library is the result of about 40 years of experience in the area of collecting and classifying information. Although it is admitted that the Organization has made considerable progress in this area, there is a risk that organizations focussing completely on 'collecting' information tend to end up with a repository of static documents.

(2) Information/knowledge capture

22. As recognized already in the ILO document[12], capturing **'**tacit knowledge**'**[13] and making the best use of it is indeed a challenge for the organization. In addition to capturing tacit knowledge, it is also important to systematically capture 'best practices'[14] existing not only in other organizations but also inside one's own organization.

23. Incidentally, few, if any, organizations know everything necessary to conduct their business. The ILO may wish to address this issue, identifying those external partners that could add value and enhance the knowledge assets of the Organization. These partnerships may be with fellow practitioners, as, for instance, in the case of world development indicators.[15]

(3) Organizing scattered information/knowledge to create knowledge assets

24. Organizing scattered information/knowledge to create knowledge assets includes filtering (a quality standard filtering facility), collation, and codification, followed by creation of knowledge repositories, data warehouses, mapping sources of internal expertise. Knowledge assets should include a best practice directory and a lessons learned (both positive and negative) database, which should be periodically updated and should be structured in such a way that items be easily found and quickly retrieved when needed. At the same time, the structure of knowledge assets should answer the question "who is accessing what?" through an adequate information security and access control. Current technology offers a wide variety of tools, which allow inexperienced users to access the desired information and knowledge with minimum training requirements.

(4) Sharing of knowledge

25. As already indicated, building a knowledge sharing culture is a key element of knowledge management. Training, guiding (preparation of manuals and guidelines) and equipping staff with computer-based tools that support knowledge sharing in a user-friendly manner are a must. In this respect, it should be noted that no relevant training materials have been developed at the ILO.
In undertaking knowledge-sharing programmes, many organizations have found that the nurturing of knowledge-based 'communities of practice'[16], is useful to promote knowledge sharing. Various tools

[11] "A tool for indexing and locating information housed in the ILO Library and other information services at ILO headquarters and in the field." (ILO Thesaurus, 1998).
[12] GB.279/PFA/6, para. 110.
[13] 'Tacit knowledge' (which is distinct from 'explicit knowledge') is the unwritten knowledge which is largely untapped and residing in the minds staff, like competencies, experiences, memories, etc.
[14] Defined as "any practices, knowledge, know-how, or experience that has proven to be valuable or effective within one organization that may have applicability to other organizations" (Carla O'Dell, C. Jackson Grayson, "American Productivity & Quality Center", Houston, Texas, USA).
[15] This is a partnership in the development field, building on the social and economic data and supporting expertise in the development statistics available in the UN organizations, World Bank, NGOs and private sectors.
[16] A group of people with a common interest in specific themes who work together informally to promote learning, solve problems, or develop new ideas.

could be used to strengthen such communities, including the establishment of specific work objectives for the community as well as management support to enable it to conduct its activities.

(5) Use of knowledge for planning, programming and budgeting, and bringing about better performance and results

26. Given that a basic objective of enhancing knowledge management is to improve performance of organizations, a critical knowledge required in the process is 'performance information'. Availability of accurate and timely (real-time) performance information is a prerequisite in the process of managing for results in the context of a knowledge management framework.

27. In this connection, evaluations conducted by programme managers and various entities (including evaluation unit and oversight mechanisms) provide in general useful information. In order to ensure a practical utility of these evaluation findings, they should be first analyzed and processed into knowledge assets so that they can be shared widely. Evaluation findings thus processed together with best practices/lessons learnt databases will provide a useful knowledge base if used (managed) properly to improve performance of organizations through the planning, programming, and budgeting process.[17]

28. This being said, however, evaluations referred in the paragraph 27 above are mostly traditional or *ex-post* evaluations which differ from real-time evaluations in that the latter take place during implementation of operations with an aim of (a) adjusting the course/process of implementation, with valid performance information, in the light of their objectives (expected results) and (b) enhancing the quality of current and future operations with real-time feedback. According to a very recent WFP document[18], a number of organizations (including the World Bank and UNHCR apart from WFP) have already been attempting to introduce such real-time evaluation as a promising instrument for real-time performance and for institutional learning.

III. CONCLUSION

29. It appears that the ILO will be technologically well prepared for KM activities once the projects mentioned in paragraph 12 (in particular IRIS and EDMS) become operational. However, the major obstacles to overcome are those emanating from the current lack of a comprehensive KM strategy, which should take into account the cross-functional nature of KM. Leadership and management commitment are fundamental for the success of KM within the ILO, as well as the development of appropriate organizational culture. The cultural issue should be given priority, since it is perhaps the most difficult problem to overcome in the enhancement of KM within any type of organization.

30. The JIU believes that the implementation of a KM strategy within the ILO, including the recommendations below, would not imply a significant increase in the Organization's resource requirements. Moreover, once a KM strategy is in place and organization-wide priorities have been [re-] defined, the combination of KM implementation in sequential phases and the possible

[17] In the United Nations system, several organizations established central evaluation databases to support organizational learning and improve performance. For example, in 2001, the evaluation office at UNICEF created a real-time, on-line intranet access to an evaluation and research database intended to record the organization's memory on performance, findings and lessons learned. It allows users, particularly from UNICEF field offices, to access abstracts and full reports of evaluations and studies conducted by UNICEF and other organizations. UNDP also maintains its central evaluation database (CEDAB) as the institutional memory on lessons learned from programmes and projects that have been evaluated. It is mandatory for evaluators to submit, along with the evaluation reports, a project evaluation information sheet (PEIS) containing information to be entered into the database.

[18] WFP/EB.2/2004/2-B, 14 April 2004.

redeployment of some existing resources could lead to the development of KM activities within the ILO at no extra cost.

IV. RECOMMENDATIONS

With a view to further enhancing Knowledge Management (KM), the ILO Secretariat may wish to take the following actions;

1. On enablers for knowledge management:

   (1) Preparation of a comprehensive KM strategy on priority basis; the strategy can be as part of an overall corporate management strategy or as a separate strategy;
   (2) Measures aiming at cultural or behavioural change, which would include provisions of adequate incentive schemes for staff, supported by leadership, i.e., top executives commitment and encouragement;
   (3) Full alignment of information management system (in particular IRIS) with KM/RBM, coupled with necessary telecommunications infrastructure as well as training for users.

2. On knowledge management process:

   A. General issues

      (1) Streamlining management practices by institutionalizing KM or blending systematically KM process with normal work processes;
      (2) Establishment of the position of Knowledge Manager or Chief Knowledge Officer (CKO), with organization-wide responsibilities for KM, backed up by full managerial as well as technical capacities.

   B. Steps

      (1) Identification, by each organizational unit, of information/knowledge needs, which should be compared with K assets/inventory, followed by preparation of respective action plan possibly on a biennial basis as a part of programme budget exercise;
      (2) Systematic capture of tacit knowledge, as well as best practices (internal and external) and lessons learnt (positive and negative);
      (3) Creation of K assets base (content), which should include best practices and lessons learnt databases, and be structured in such a way as to be easily retrievable, ensuring at the same time necessary information security and access control;
      (4) Promoting knowledge sharing through preparation of guidelines and manuals, undertaking training (on the basis of relevant training materials) as well as programmes on, for instance, nurturing K-based ‘communities of practice’, in addition to taking a number of measures aiming at cultural/behavioural change as referred to in 1(2) above;
      (5) Effective use (feedback) of performance information, in particular evaluation findings (through processing them into knowledge bases – evaluation databases), in the planning/programming/budgeting/monitoring/evaluation cycle to improve performance of the organization. In this context, measures should also be taken to enhance real-time evaluation, as opposed to *ex-post* evaluation.