

# *Developing a Strategy to facilitate Knowledge Transfer across Multi-Generation Workforce*

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## **Abstract**

*Demographic changes have influenced that the companies around of the world to have an increasingly diverse workforce. This is in terms of experience, culture, age groups (generations), level of knowledge etc. Differences between the generations of the workforce and the aging of the workforce, carry the risk of losing the knowledge, that experts or knowledge workers possess when they leave the organization (retirement or voluntary dismissals). The transfer of knowledge from knowledge workers or experts to new or less experienced employees is an important issue for organizations, particularly with regard to the transfer of hidden knowledge. Despite the importance of the issue, few articles examine how to use knowledge management to transfer knowledge in today's multi-generational workforce. Recognizing the differences between the generations of the workforce will help the managers of the organizations to determine strategies and methods for transferring knowledge across these multi-generational workforce. The purpose of the paper is to draw attention to the necessity of creation and maintenance of organization memory across transferring knowledge and to provide guidelines for organization management to transferring knowledge across multi-generational workforce. To recognize the characteristics between the generations of the workforce, as one of the success factors for the transfer of knowledge, the field literature has been explored. Thereafter statistical data have served to support the imperative importance of transferring knowledge from older (holders) to younger (needy). Mentoring has been introduced as the most used method for incorporating knowledge within the organization.*

**Key words:** *transfer of knowledge, knowledge management, multi-generational workforce, strategy, organizational memory, Albania.*

## Introduction

The large demographic changes have significantly affected changes in the labor market. Significant changes also characterize the internal organizational environment, seen in terms of values, cultures, knowledge levels, age groups.

Employees progress over the years. They manage to provide a set of knowledge that they adapt to the operations, structure and culture of the organization. “The knowledge that employees possess holds the organization together” (Brown & Doguit, 1998). In this context, “it is important to create new knowledge, but it is equally important to use the hidden, old knowledge and make it effective. (Strommer, R.1999).

Referring to Lesser (2006), what is most important and assumes a particular value for companies is the fact that hidden knowledge is difficult to learn as employees age out of their positions. The emergence of a large number of Baby Boomers in retirement in the coming years as well as an increase in the number of Generation X employees necessitates the development of methods to transfer know-how from more experienced employees to younger or less experienced employees, especially in terms of hidden knowledge. It is necessary that this knowledge be documented and maintained for use by the youngest, to enrich themselves and to learn quickly from the efforts of others.

Referring to Calo, (2008) companies need to develop strategies to transfer knowledge from senior employees to others in the organization, thereby creating the memory of the organization as a means of capturing competitive advantage. Studies show that the “impact of loss of memory on the organization” is large. According to Lahaie (2006) it is estimated that about 42% of the organization’s knowledge lives in the employees’ brains. Companies are therefore directly and strongly affected by the loss of knowledge of their senior executives or knowledge workers or experts.

Knowledge Management programs should strive to create strategies and methods for transferring and retaining knowledge of the organization with the aim of turning knowledge into an asset of the organization.

## The added importance of managing hidden knowledge

Knowledge can be defined as a combination of experience, values, contextual information and internal expertise, which helps in evaluating and incorporating new experiences and information (Gammelgaard & Ritter, 2000). Nonaka and

Takeuchi (1995) have offered and argued that knowledge is of two kinds. It can be displayed and hidden/tacit. Recognizing the distinguishing features between the two types of knowledge enables the determination of the management of each of them, while at the same time enabling the use of appropriate strategies, tools and techniques for the effective management of the organization's knowledge.

Explicit or displayed knowledge, being coded, is clearly possible to be touched, seen, heard, felt and manipulated such as in books, videos, reports, documents, allegories, etc. As such it is easy to acquire, share, store or distribute and can be easily stored in the memory of the organization.

Otherwise tacit or hidden knowledge, is that part of the individual's knowledge which, is not articulated. "It is what we know but do not say or to know more than we can say". Michael Polanyi (1966). The abstract and unstructured form it has makes it difficult to exclude or mediate. Categorized as personal, it is difficult to share it with others in the organization and to keep it in memory. The transfer of tacit knowledge from one individual to another is accomplished through direct human interaction throughout each face-to-face discussion.

It is important that organizations clearly understand that knowledge is not information and Knowledge Management is not Information Management. "If information is a message, usually in the form of a document or audio or visual communication, knowledge is acquired by thought and is a combination of information, experience, intuition or insight."(Davenport & Prusak, 1998). Information becomes knowledge when it is situated in an operating context. "Knowledge is information possessed in the mind of the individual it is personalized information" (Alavi & Leidner, 2001). Refer to Drucker (1997) Knowledge is "information that changes something" or "information in action".

It is easy to pass information from one person to another, but it is difficult to pass on knowledge. In this context, the management of hidden knowledge as well as its transfer between different generations of members of the organization is one of the challenges of management in creating the intellectual levels of organizations.

## **Challenges of knowledge management in the face of Multi-Generational Workforce**

Companies are among the few social structures, where three generations have to work together for about forty hours a week. Managers are the ones who have to manage this multi-generational workforce, harmonizing the values, cultures, experiences and different levels of knowledge it carries.

## *The characteristics of generations of workforce*

Each generation brings unique habits, distinct values and different views in terms of authority, sense of loyalty, distance from power, etc. Dubbed the “forgotten generation”, Baby Boomers (born between 1946 and 1964) are known as the optimistically driven, group-oriented generation of personal pleasure (Weaterman & Yamamura, 2007). “Their main focus is work and they are valued for loyalty and commitment” (Cennamo & Gardner, 2009). “They are motivated by verbal or written recognition, rewards or public recognition” (Kyles, 2009).

Generata X (born between 1965-1979), were rated as more independent than their predecessors. “Living through technological growth and social, financial, and family change has made them more engaged in their personal careers than they are in the organization” (Cennamo & Gardner, 2009). They are rated as selfish, less loyal and not too cautious about corporate policies. “Having suffered from economic recession and corporate layoffs, Generation X members tend not to build relationships with senior managers but to create some form of humility or servility towards them” (Kyles 2009). They are more prone to career opportunities and autonomy - a requirement that makes them happy and productive in their work relationships.

Millennials or the Generation Y (born between 1980 and 2000) “are optimistic, technology dependent and have overconfidence”- says Dan Woodman. They have a unique technology experience, good childhood memories, and don't worry about how much “likes” their posts on Facebook or Instagram will receive. In the twenties they were confronted with the expansionist advancement of technology. Generation Y members link careers to a better world, where they want their contribution to be recognized and valued.

Generation Z (born around 1995-2004) are also referred to as Generation 4C, (communication, collaboration, connection and creativity). The Z generation is very different from millennials in their job desires and professional life. For Generation Z members education is no longer just a college degree, but a very important bridge to a career. Most of them want to go beyond the bachelor's degree. corporate sustainability does not work and will not happen to them.

## *Threatening the organization from loss of knowledge*

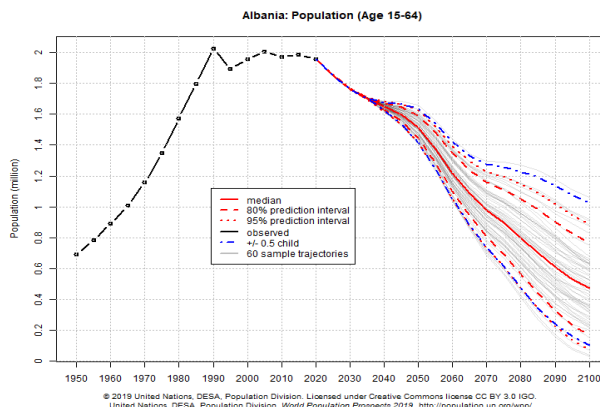
Ageing workforce is being discussed extensively today. Employees around the age of 65 make up about 30% of the labor market in America. According to data from the European Commission, in the coming decades, all European countries will be characterized by an increase in the share of people over the age of 65 in

the composition of the workforce. This means that a significant number of the Baby Boomer generation will leave the job market. Studies show that by 2040, the Y and Z generations are projected to account for about 75% of the workforce. “Organizations need to make sure that when Baby Boomers retire, their knowledge and experience are gained by the leadership and others in the organization, to prevent them from leaving the door when they leave” (Glick, 2007: 11). Another phenomenon that is gaining momentum today is what is known in the literature as the term “voluntary turnover of employees”. First, this phenomenon is fueled by rapid demographic change, which significantly influences changes in the workforce of organizations. Secondly, more and more, the principle of long (eternal) career with a single company led to a joint fatigue between the employee and the company. Generation Y members are probably the most articulate in this regard. For them, a 10-year career in a company is increasingly coming to an end and 3-5 years of employment practices are more preferred. The digestion of knowledge, which comes from the voluntary turnover of employees remains high.

### *Characteristics of the labor market in Albania*

Albanian population profile has changed, indicating an aging population in recent decades. There is an increase in the number of 65-year-olds (from 136 thousand to 318 thousand). Forecasts from INSTAT and 2011 Census data represent significant changes over a relatively short period of time. The working age population will remain stable, but the internal balance is predicted to shift from the 15-29 age to the 30-64 age over the next two decades.

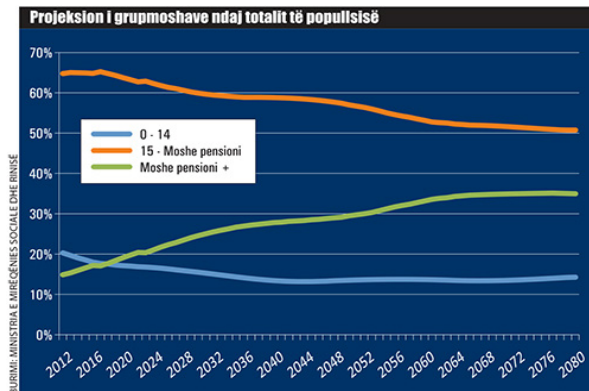
**FIGURE 1:** Graph of population composition referring to age groups



Source: CE 2019

In other words the job market will be dominated by generations Y and a large portion of Baby Boomer and X generation is expected to emerge from the labor market. In 2016, the labor force participation rate among young people drops to 36% while that of adults stands at 77%. Thus, while about 483 thousand people were of working age 20-29 years in 2020, this figure will be only 324 thousand - 33 percent less - in 2031.

**FIGURE 2:** Graph on the projection of age groups to the total population



Source: INSTAT 2019

In these conditions, organizations in Albania are threatened by the digestion of basic knowledge and the transfer of knowledge from Baby Boomer generations at X and Y becomes imperative.

## Transfer of knowledge across generations of the workforce

### *The need for knowledge transfer*

It often happens in organizations that someone who has knowledge does not use it, and someone else who needs that knowledge does not know where to find it. The transfer of knowledge is intended to link ‘what’ possesses knowledge with ‘what’ needs knowledge. It refers to the sharing / dissemination of knowledge between individuals or organizational groups and serves to create, capture or disseminate knowledge, ensuring the availability of basic knowledge of the organization to future users. “Given the need to preserve basic knowledge and create organizational memory, through the creation of “knowledge repositories”, organizations should support the transfer of knowledge from the generation of workers approaching retirement to subsequent generations” (Newman, 2011,

p. 137; Streb et al., 2008, p.2). “Identification, management or transfer of knowledge and best practices exercised by some companies, saved or gave the companies billion profits” (O’dell and Grayson (1998).

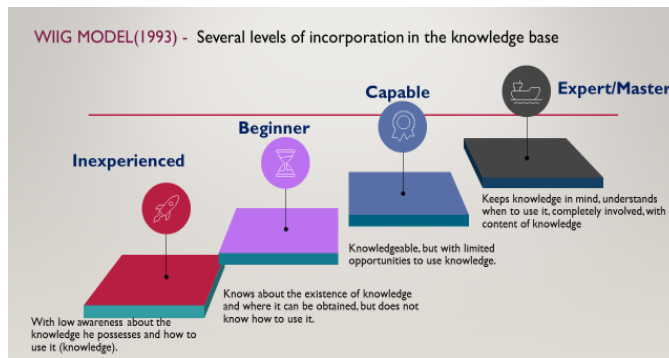
But often the sharing of knowledge in organizations creates difficulties and motivating employees to share knowledge is not an easy task. Employees tend to maintain their knowledge fanatically, thinking that sharing knowledge with others will diminish their importance and consequently make them feel endangered for the preservation of the workplace. From an organizational point of view, this strongly brings about the need for a deliberate, systematic approach, with a focus on cultivating and sharing the knowledge base among the members of the organization, populating the best ideas and best work practices.

### How can we transfer knowledge

Leonard and Swap (2004) warn that training and development programs as well as IT-based knowledge management systems are often designed to transfer explicit knowledge, but they are incapable of transferring hidden knowledge. For this reason, companies are building strategies and looking for methods to enable the transfer of hidden knowledge from older employees to younger ones.

Wiig Model (1993) defines several levels related to incorporation in the knowledge base, such as: inexperienced - with low awareness about the knowledge possesses and how to use it ; beginner - knows about the existence of knowledge and where it can be obtained, but does not know how to use it; capable - knowledgeable, but with limited opportunities to use knowledge; expert - keeps knowledge in mind, understands when to use it, works with knowledge without the need for foreign interference; master - completely involved, with content of knowledge, a master has deep understanding about the events of his environment.

**FIGURE 3:** Graphic representation of Wiig Model



Source: By author of this paper

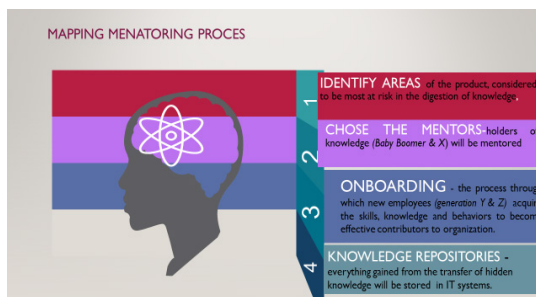


Therefore, emphasis on learning and education, establishment the right organization culture to share knowledge, a coaching leadership style, attention to motivation trust and recognition, are evaluated as part of the strategy developing for those companies that have realized the costs of losing knowledge and the benefits of transferring knowledge across generations of the workforce .

Mentoring is one of the most developed method for transferring knowledge, that organizations are using today. Mentoring method is intended to link ‘what’ possesses knowledge with ‘what’ needs knowledge. It serves to share / dissemination of knowledge, ensuring the availability of basic knowledge of the organization to future users. “Many organizations today are introducing formal mentoring opportunities and mentoring is a response to the challenges posed by an aging workforce” (Crawford et al., 2006). “Monitoring is a key approach and one of the best practices within strategies to tranfer knowledge” (Krail, 2005, p. 35). The use of mentoring in knowledge transfer is not new. General Electric used mentoring when e-commerce was in its infancy.

Menatoring process is organize in some stapes. First, identification of areas of the product considered to be most at risk in the digestion of knowledge due to an aging workforce and which appear to pose a risk to knowledge transfer, is necessary. Secondly, chosing the mentors-holders of knowledge will be mentored. “Baby Boomer & X generation are valued as holders of key knowledge and skills, which the organization wants to promote” Sherman (2008). Assigning experienced staff to mentor new employees is the key approach to tacit knowledge transfer (IEA, 2004). This group of knowledge pins are invited to become coaches emphasizing the importance of their individual knowledge. Third, onboarding - the process through which new employees (generation Y & Z) acquire the skills, knowledge and behaviors to become effective contributors to organization. Forth phase, creation of knowledge repositories is need. Everything gained from the transfer of hidden knowledge across mentoing process will be stored in IT systems and will serve to create of organization memory.

**FIGURE 4:** Four stages of mentoring process



Source: By author of this paper



Further, since mentoring practices are a relatively new approach and the organizations may lack experienced mentors or mentoring models, mentoring training programs can be used to increase method efficiency. An organizational structure with a low degree of formalization and decentralization in decision-making is necessary to enable the sharing and continuity of knowledge. Furthermore, the partnership between older employees and younger ones, as well as the formalization of the mentor-bearing relationship is an important element in the plan of transferring clear and tacit knowledge.

## Conclusions & Recommendations

The percentage of employees in the age 50 to 60 increased significantly the last ten years. Most organizations are not fully aware of the serious consequences that the loss of large source of labor can have. This specially when a large number of Baby Boomers are preparing to retire.

The companies must be prepared for this mass exodus and are working on how to effectively transfer the knowledge and skills that the boomers possess to the other members who will replace them.

An effective knowledge transfer program can help improve productivity, reduce employee frustration, maintain organizational knowledge. In this respect one of the most effective approaches being used today by companies around the world is mentoring. Identifying factors and mentoring techniques is one of the challenges of organizations which within their competitive strategies have valued knowledge as an inexhaustible asset. Emphasis on learning and education, establishment the right organization culture to share knowledge, a coaching leadership style, attention to motivation trust and recognition, are evaluated as part of the strategy developing for those companies that have realized the costs of losing knowledge and the benefits of transferring knowledge across generations of the workforce.

Creating an interactive learning environment, where individuals share and transfer between them what they know is necessary for organizations in the face of the challenges of generative changes in the workforce. Promoting an innovative culture, where individuals generate ideas, opinions, attitudes and alternative solutions to emerging problems is important in this regard.

Accumulating/storing the knowledge of individuals, as a database, or uncovering best practices, creating the memory of the organization and turning knowledge into long-term assets. In this context, planning dedicated budgets and building systems for storing the acquired knowledge are important for the success of mentoring projects.

Through a proactive knowledge management style, by creating organizational memory, by not losing knowledge, the organization will reduce costs and turn knowledge into a long-term asset.

This article's intention is to give guidelines on how to transferring knowledge along multi generations workforce. It is not extensively based on direct empirical findings. Further research is needed to verify and completely the conclusion and recommendations made in this article

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