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# Assessment of ADB's Knowledge Management Implementation Framework

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## **Assessment of ADB's Knowledge Management Implementation Framework**

**Contract No. A13801  
RSC-C71991 (UKG)**

### **Objective/Purpose of the Assignment**

To determine ADB staff perceptions on the ADB Knowledge Management (KM) implementation process. The findings will be compared against the results of the 2005 and 2006 electronic surveys and the eight recognized Most Admired Knowledge Enterprises (MAKE) knowledge performance dimensions to determine KM trends in ADB.

### **Scope of Work**

To analyze an electronic survey of ADB staff perceptions on KM.

### **Detailed Tasks**

1. Review the revised MAKE survey instrument for use.
2. Analyze data.
3. Compare data findings against the 2005 and 2006 results and eight recognized MAKE knowledge performance dimensions.

### **Output/Reporting Requirements**

Report on KM Trends in ADB.

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## **1. Background**

In May 2005, Teleos conducted the first in a planned series of electronic surveys of ADB staff to determine their perceptions regarding the ADB Knowledge Management (KM) implementation process. The second electronic survey was conducted in July-August 2006. The findings were benchmarked against the eight recognized MAKE (Most Admired Knowledge Enterprises) knowledge performance dimensions to determine 'high-level' Knowledge Management trends at the ADB.

The Enterprise MAKE Assessment is a diagnostic tool for rapidly assessing the commitment and maturity of the Asian Development Bank's knowledge strategy. It is based on the MAKE framework consisting of eight knowledge performance dimensions (see Section 2: Enterprise Assessment Tool).

A major benefit of this diagnostic tool is that through an independent, third-party study, the Asian Development Bank can benchmark how successful its knowledge strategy is when compared across internal departments and against the world's leading knowledge-driven enterprises. A series of Enterprise MAKE Assessments will allow the ADB to monitor the progress of implementing its knowledge strategy over time.

The third electronic survey was conducted in September-October 2007. This Report compares the 2007 data findings against the 2005 and 2006 results and highlights KM trends in ADB.

## **2. Enterprise Assessment Tool**

Teleos has created a customized Enterprise MAKE Assessment tool for use by ADB staff. The Knowledge Management Center (KM Center) re-formatted the questions to "ADB language/customs" for the second electronic survey in order to increase the response rate and detail of responses. In the 2007 electronic survey, the questions were further refined to increase response rate and detail. Each participant was asked in absolute confidence to rate the Asian Development Bank's knowledge capabilities on a scale of 1 (poor) to 10 (excellent) against the eight MAKE knowledge performance criteria listed below.

### *D1. Ability to create and sustain an enterprise knowledge-driven culture.*

In the 2007 electronic survey the question to ADB staff was re-formatted to read: "How well does your department embrace and perform a knowledge-driven culture, such as conducting regular meetings and brainstorming sessions, sharing documents to staff within and among departments, etc.?"

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*D2. Ability to develop knowledge workers through senior management leadership.*

In the 2007 electronic survey the question to ADB staff was re-formatted to read: “How effective is the Management in encouraging and sustaining the practice of knowledge management, such as incorporating KM as an activity in PDP, implementing incentive mechanisms, etc.?”

*D3. Ability to develop and deliver knowledge-based projects/services.*

In the 2007 electronic survey the question to ADB staff was re-formatted to read: “What is your view of ADB knowledge products (publications, newsletters) in terms of value added, accessibility, relevance, quality, etc.?”

*D4. Ability to manage and maximize the value of enterprise intellectual capital.*

In the 2007 electronic survey the question to ADB staff was re-formatted to read: “How effective is ADB in developing staff intellectual growth and managing knowledge assets?”

*D5. Ability to create and sustain an enterprise-wide collaborative knowledge-sharing environment.*

In the 2007 electronic survey the question to ADB staff was re-formatted to read: “How ADB values staff’s knowledge contributions in sustaining a knowledge-driven environment through development of knowledge databases, participation in communities of practices, etc.?”

*D6. Ability to create and sustain a learning organization.*

In the 2007 electronic survey the question to ADB staff read (no change from the 2006 electronic survey): “How successful is ADB in developing and sustaining a learning and sharing culture?”

*D7. Ability to manage client knowledge to create value and enterprise intellectual capital.*

In the 2007 electronic survey the question to ADB staff was re-formatted to read: “How successful is ADB in working with external stakeholders (i.e., DMCs and external networks) in knowledge-sharing and development activities?”

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*D8. Ability to transform ADB knowledge to reduce poverty and improve clients' standard of living.*

In the 2007 electronic survey the question to ADB staff was re-formatted to read: "How successful is ADB in adopting, incorporating, and applying lessons learned and experiences in its daily operations and sharing them within ADB and other stakeholders?"

As noted above, the question set for the 2007 electronic survey was refined (except for Question D6) by the KM Center to gain more accurate responses from the participants. However, by modifying the question set an additional degree of uncertainty (statistical error) has been introduced. This additional degree of uncertainty may have affected some of the data analysis comparisons between this year's and the 2005 and 2006 electronic surveys. This will be discussed in the Data Analysis section.

### **3. Data Collection**

On September 14, 2007, the 2007 KM Survey was made available to participants on the ADB's intranet. The 2005 e-survey was conducted using Teleos' secure Web site. For the 2006 and 2007 KM Surveys, the KM Center and Teleos agreed to use ADB's intranet to encourage greater participation based on familiarity of the ADB intranet and assurance of security and confidentiality.

By the end of this year's survey period (October 26, 2007), a total of 136 ADB staff had completed the 2007 KM Survey. This resulted in 132 useable surveys.

For the purpose of comparison, by the end of the 2006 survey period, a total of 127 ADB staff had completed the KM Survey. This resulted in 125 useable surveys.

In the 2005 KM Survey, 189 ADB staff (senior to junior staff) were selected to participate in the survey. The selected staff represented a cross-section of National Officers, Professional Staff (KM Coordinators), KMAPPS Champions/Coordinators, and Other Professional Staff. Due to an initial low response rate (19 completed forms – 10%), the 2005 survey was extended to other ADB staff via a notice in the *ADB Today*. This announcement was listed as a major article in *ADB Today* and repeated for two more days. At this point, the Knowledge Management Center again approached the original 189 stakeholders requesting that they complete the electronic survey instrument. A total of 66 completed and useable forms were received.

The response rate for the 2007 KM Survey was 5.6% higher than for the 2006 KM Survey

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(132 responses compared to 125 responses), which in turn was nearly twice that as the 2005 KM Survey (125 responses compared to 66 responses).

This improving response rate is a very encouraging indicator that ADB staff are aware of the KM implementation process and that it is having a greater effect on individual staff members. The larger number of responses also has had the benefit of providing a more statistically valid set of data.

However, the number responses for some ADB departments continues to be low, which could indicate either a low level of interest/confidence in completing surveys, or more critically little interest in or benefits gained from the ADB KM implementation process. This will be discussed in the Data Analysis section.

## **4. Data Analysis**

### **4.1 Data Analysis of All ADB Staff**

A total of 132 useable 2007 KM Survey forms were received. An additional four forms (2.9%) were received without any data. Three of the useable forms (3.3%) did not include a job title and 9 useable forms (6.8%) did not include the department/group.

In the 2006 KM survey, a total of 22 completed forms (17.6%) were received without name. In the 2005 KM Survey, 20 completed forms (30.3%) were received without name. The significant decline in anonymous/partially-completed responses is a positive development since it indicates that ADB staff has become more comfortable with the security and confidentiality provisions of the KM Surveys over the three years of assessment.

Responses indicate that the ADB organizational culture is more 'open' and 'collaborative' and staff are more confident that their views are important and actionable. However, it should be noted that in Teleos' experience there still appears to be some degree of skepticism within parts of the ADB about surveys. A number of ADB departments either did not respond to the KM Survey, or participation was limited to one or two individuals. This could perhaps be due to a lack of 'trust,' e.g., "if I participate in this survey, then I could be 'punished' for my views" (possibility affecting pay increases and/or promotion prospects)." There also could be a perception among participants that even if they spend the time to complete the form, they will not receive feedback and/or management will not do anything about the finding results.

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Table 1 compares the results of the 2005, 2006 and 2007 KM Surveys for all of the participating ADB staff. As noted above, the question set in the 2006 and 2007 KM Surveys were slightly modified to accommodate the ADB's "language/customs." This could slightly affect the comparison of average scores between the 2005 and the 2006 and 2007 KM Surveys.

<b>Analysis of All ADB Staff</b>									
<b>Year/Dimension</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>Total</b>
<b>2007 (132)</b>	6.67	5.71	6.43	5.18	5.64	5.33	6.20	5.51	46.67
<b>2006 (125)</b>	6.14	5.34	6.05	4.70	5.74	5.02	5.34	5.19	43.52
<b>2005 (66)</b>	4.80	6.24	5.38	4.47	4.42	4.88	4.50	4.85	39.54

*Table 1: Comparison of the average of all ADB staff responses for the 2005, 2006 and 2007 KM Surveys for the eight MAKE knowledge performance dimensions.*

The Teleos Enterprise MAKE Assessment is based on the Delphi methodology. To minimize statistical variations, it is critical that the group of participants change very little over time. Within the ADB there is moderate staff movement – individuals joining/leaving the organization, as well as individuals changing departments and/or job functions.

These noted factors all contribute to statistical variability. In the case of the 2007 KM Study, Teleos estimates that the statistical error is  $\pm 0.27$  for each of the MAKE knowledge performance dimensional averages (the same statistical error is found in the 2006 KM Survey).

It is clear from the Total Score of the 2007 KM Survey that the ADB's KM implementation process is having a positive affect on staff and operational performance. When comparing the Total Scores in Table 1, the ADB staff in the 2007 KM Survey ranked the organization 7.2% higher as a 'raw' number than in the 2006 KM Survey – and 18% higher than the inaugural 2005 KM Survey. This overall increase is typical of an organization in its third or fourth year of KM implementation and of ADB's size and complexity.

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The *“Ability to Create and Sustain an Enterprise-wide Collaborative Knowledge-sharing Environment”* performance dimension (Dimension 5) is the only category which the 2007 ADB respondents ranked lower.

In the 2006 electronic survey the question to ADB staff read: “Do you think that your knowledge contributions are being valued?” In the 2007 electronic survey the question to ADB staff read: “How ADB values staff’s knowledge contributions in sustaining a knowledge-driven environment through development of knowledge databases, participation in communities of practices, etc.?”

The most likely explanation for the decline in the average score for this performance dimension is that the ADB staff were asked a much more detailed question regarding the organization’s collaborative knowledge-sharing environment. In other words, this more detailed question required a more ‘honest’ answer from the participants.

The lower score in this year’s KM Survey does not necessarily mean that there have not been improvements in creating an organizational knowledge-sharing collaboration environment. Rather, it probably indicates individual’s expectations have outpaced the organization’s ability to deliver on stated objectives, especially in this knowledge performance dimension involving radical changes in organizational culture, individual behavior, and information technology infrastructure.

It should also be noted that between the 2005 and 2006 KM Studies the change in score in this knowledge performance dimension was 30%. It is often observed that once management believes that a goal has been reached, then the focus shifts to other more pressing issues. For this particular knowledge performance dimension, it could be the case that ADB management ‘took its eyes off the ball’ and paid more attention to other KM initiatives, rather than continuing to provide resources and oversight in creating and sustaining a collaborative knowledge-sharing environment.

It is critical that ADB managers deal with this ‘problem’ quickly in order to avoid ‘disillusionment’ among staff. ADB managers should review established goals for creating a knowledge-sharing environment (including how to ‘value’ critical knowledge assets) and ensure that ADB staff are kept informed concerning KM initiative milestones and successes.

ADB management should also attempt to reduce unrealistic expectations of ADB staff by clearly informing staff of any ‘limits’ to this KM initiative and/or the anticipated initiative outputs. Although setting KM stretch goals is an important management tool, without staff understanding how and why knowledge sharing and collaboration can positively benefit

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themselves and the organization, situations could emerge where staff become so 'disillusioned' that they reject this critical KM implementation process.

On a positive note, the average scores for creating the "*Ability to Manage and Maximize the Value of Enterprise Intellectual Capital*" (Dimension 4) and "*Ability to Manage Client Knowledge to Create Value and Enterprise Intellectual Capital*" (Dimension 7) have increased significantly, 10.2% and 16.1% respectively. These improved scores reflect a significant improvement within ADB and provides a solid foundation in which to set targets for the improvement of the other knowledge performance dimensions.

## **4.2 Data Analysis of ADB Staff by Function**

The 129 ADB staff who provided job function details were:

- National Officers (27)
- Professional Staff (64)
- Administrative Staff (38)

The number of National Officers (NO) participating in the 2007 KM Study was 59% higher than in last year's assessment (17 NO respondents). When compared to the 2006 KM Study, the number of Professional Staff (PS) participating in this year's assessment was down slightly (-7.2%), while the of number of responding Administrative Staff (AS) was up slightly (8.6%).

Tables 2-4 show the ADB responses by job function and compare them with results from the 2005 and 2006 KM Studies.

The average overall score for the ADB staff participating in this Enterprise Assessment was 46.67. The average score for each of the three functions was: National Officers (48.20), Professional Staff (40.79), and Administrative Staff (56.27).

As can be readily seen, National Officers' perceptions of ADB's KM implementation process continues to be 'realistic'; many of the Professional Staff continue to be 'skeptical' of the benefits of KM; and ADB Administrative Staff are increasingly 'enthusiastic' about the benefits of KM with regards to their jobs and the organization.

Of course, there continue to be 'pockets' of dissatisfaction with ADB's KM implementation process within all three functional groups. However, the average scores hide the fact that a significant minority of National Officers and almost one-half of Professional Staff are moderate to very 'skeptical' regarding the benefits of KM implementation.

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These observations will be analyzed in greater detail in the following sections.

### **National Officers**

Table 2 compares the National Officers' responses for the eight MAKE knowledge performance dimensions in the 2005, 2006 and 2007 KM Studies.

<b>Analysis of National Officers' Response</b>									
<b>Year/Dimension</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>Total</b>
<b>2007</b>	6.56	5.89	6.33	5.67	5.93	5.67	6.30	5.85	48.20
<b>2006</b>	6.41	5.82	5.94	4.82	6.29	5.41	5.71	5.47	45.87
<b>2005</b>	6.29	8.43	6.43	6.14	6.29	5.71	6.00	6.29	51.57

*Table 2: Analysis of National Officers' responses for the eight MAKE knowledge performance dimensions.*

The National Officers' overall score improved by 2.33 points (5.1%) between the 2006 and 2007 KM Surveys. However, the National Officers' 2007 score is still 3.37 points (6.5%) below the their score recorded in the first study conducted in 2005. In this year's electronic study, the National Officers' overall score is only 1.53 points higher (3.3%) than the All ADB Staff average. In the 2006 KM Study, the National Officers' overall score was 2.35 points (5.4%) higher than the All ADB Staff average.

An analysis of the data reveals that National Officers are 'realistic' in their assessment of ADB's KM implementation process and a majority are working to ensure the success of KM initiatives. They understand that a successful ADB KM implementation process will take a number of years to yield substantial positive benefits for the organization. It also requires constant managerial attention and support.

However, 8 of the National Officers (29.6%) gave the ADB's KM implementation process a score of less than 40 points. And, of this group, one NO gave the overall KM effort a score of 13 and two other NOs gave a score of 26. It is clear that there is still a sizeable

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minority of National Officers who do not believe in and/or fully support the ADB KM implementation process. This group of NO is still large enough to significantly impede the successful implementation of KM within the ADB.

For this group of NOs, the average scores for “*Ability to Manage and Maximize the Value of Enterprise Intellectual Capital*” (Dimension 4) and “*Ability to Manage Client Knowledge to Create Value and Enterprise Intellectual Capital*” (Dimension 7) have increased significantly, 17.6% and 10.3% respectively.

The “*Ability to Create and Sustain an Enterprise-wide Collaborative Knowledge-sharing Environment*” performance dimension (Dimension 5) is the only category which the 2007 NO respondents ranked lower (-5.7%).

### **Professional Staff**

Table 3 compares the Professional Staff’s responses for the eight MAKE knowledge performance dimensions in the 2005, 2006 and 2007 KM Studies.

<b>Analysis of Professional Staff’s Response</b>									
<b>Year/Dimension</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>Total</b>
<b>2007</b>	6.25	5.19	5.83	4.08	4.70	4.25	5.72	4.77	40.79
<b>2006</b>	5.57	4.80	5.46	3.80	5.16	4.14	4.52	4.35	37.80
<b>2005</b>	4.13	5.00	5.67	4.12	4.14	4.27	3.87	3.86	35.06

*Table 3: Analysis of Professional Staff’s responses for the eight MAKE knowledge performance dimensions.*

The Professional Staff’s overall score has increased by 2.99 points between the 2006 and 2007 KM Surveys, which statistically represents a slight improvement in perceptions since the first study conducted in 2005. In this year’s electronic study, the Professional Staff’s overall score is 5.88 points lower (-12.6%) than the All ADB Staff average. In the 2006 KM Study, the Professional Staff’s overall score was 5.72 points lower (-13.1%) than the All ADB Staff average.

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An analysis of the data reveals that Professional Staff continue to be skeptical of ADB's KM implementation process. They apparently are taking a "wait and see" attitude when it comes to ensuring the success of KM initiatives. This view is typical of key knowledge workers in the early stages of KM implementation, which can be a confusing time for these individuals.

On the one hand, these individuals have achieved positions of respect and responsibility due to their expert knowledge. A formal organizational KM implementation process can be perceived as a threat by allowing other staff members to have access to the experts' unique insights and skills. It is therefore often the case that Professional Staff will initially be less supportive of KM than, say, National Officers or Administrative Staff.

On the other hand, Professional Staff also recognize that a KM implementation process can help them in their activities and enable them to improve their own skills and competencies. Once the initial skepticism is surmounted, Professional Staff usually become supportive of the KM implementation process.

It should be pointed out that 30 of the Professional Staff (46.9%) gave the ADB's KM implementation process a score of less than 40 points. The lowest scores recorded for the PS group were: 8, 15 (two respondents), and 18. Since almost one-half of the Professional Staff still do not believe in and/or fully support the ADB KM implementation process, they are in a position to significantly impede and/or derail the successful implementation of KM within the ADB.

For this group of Professional Staff, the average scores for creating "*Ability to Create and Sustain an Enterprise Knowledge-driven Culture*" (Dimension 1) and "*Ability to Manage Client Knowledge to Create Value and Enterprise Intellectual Capital*" (Dimension 7) have increased significantly, 12.2% and 26.5% respectively.

The "*Ability to Create and Sustain an Enterprise-wide Collaborative Knowledge-sharing Environment*" performance dimension (Dimension 5) is the only category which the 2007 PS respondents ranked lower (-8.9%).

Even considering the ADB Professional Staff's 'skeptical' view, there are some positive findings compared to the 2006 e-survey. The Professional Staff have recognized that ADB is changing in both its organizational culture and is becoming more client focused.

The challenge for ADB is to continue to work with Professional Staff to demonstrate the value of the KM implementation process. The Professional Staff need to understand that their expertise will not be less valued, but on the contrary will be more valued as the KM

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implementation process continues to unfold. Dimension 4 (“How effective is ADB in developing staff intellectual growth and managing knowledge assets?”) and Dimension 6 (“How successful is ADB in developing and sustaining a learning and sharing culture?”) continue to be ranked the lowest for the Professional Staff and should be priority areas for improvement during the next 12 months.

**Administrative Staff**

Table 4 compares the Administrative Staff’s responses for the eight MAKE knowledge performance dimensions in the 2005, 2006 and 2007 KM Studies.

The Administrative Staff’s overall score has increased by 2.31 points (4.31%) between the 2006 and 2007 KM Surveys, and represents a continuing positive change in perceptions. In this year’s electronic study, the Administrative Staff’s overall score is 9.60 points higher (20.6%) than the All ADB Staff average. In the 2006 KM Study, the Administrative Staff’s overall score was 10.44 points higher (24.0%) than the All ADB Staff average.

<b>Analysis of Administrative Staff’s Response</b>									
<b>Year/Dimension</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>Total</b>
<b>2007</b>	7.63	6.58	7.66	6.74	7.11	6.95	7.05	6.55	56.27
<b>2006</b>	7.23	6.29	7.29	6.49	6.57	6.66	6.80	6.63	53.96
<b>2005</b>	5.15	6.42	5.48	4.70	4.61	5.27	4.70	5.06	41.39

*Table 4: Analysis of Administrative Staff’s responses for the eight MAKE knowledge performance dimensions.*

An analysis of the data reveals that Administrative Staff are very supportive of the ADB’s KM implementation process. All knowledge performance dimensions except Dimension 8 (“How successful is ADB in adopting, incorporating, and applying lessons learned and experiences in its daily operations and sharing them within ADB and other stakeholders?”) have improved during the past 12 months, and in this specific case the decline was only 1.2% (within the margin for statistical error).

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In comparison to the National Officers and Professional Staff who rated Dimension 5 (“How ADB values staff’s knowledge contributions in sustaining a knowledge-driven environment through development of knowledge databases, participation in communities of practices, etc.?”) lower in this year’s KM Survey, the Administrative Staff perceived an improvement in this area (8.9%).

Teleos research indicates that Administrative Staff are one of the first group’s to become aware of, and to receive benefits from, a KM implementation process. Before the introduction of a KM implementation process, Administrative Staff often find that poorly designed work processes hinder their activities, leading to frustration and performance inefficiencies. Also, before organizational KM implementation, Administrative Staff often believe that management does not value their views on work activities, and that they lack opportunities for training and personal development.

Only four of the participating Administrative Staff (10.5%) gave the ADB’s KM implementation process a score of less than 40 points. The lowest scores recorded for this group were: 20, 34, and 36 (two respondents). The scores in this year’s KM Survey indicate that Administrative Staff positively view the ADB’s KM implementation process, and are, in general, very supportive of current KM initiatives.

The ADB’s challenge is to focus on National Officers and especially Professional Staff, but at the same time not to neglect the involvement of Administrative Staff in the KM implementation process.

### **4.3 Data Analysis of ADB Participants by Departments**

Table 5 shows the average scores of ADB participants by Department.

It should be noted that the sampling size for some Departments was quite small, therefore the sampling error for each knowledge performance dimension is  $\pm 0.54$ .

Focusing on those departments with at five or more responses, COSO, CWRD, PARD and SARD have a more positive view of ADB’s KM implementation process than recorded in last year’s KM Study. On the other hand, OED, RSDD and SERD have a less positive view of ADB’s KM implementation process.

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### Analysis of ADB Staff by Departments

Dept/Dimension	1	2	3	4	5	6	7	8	Total
<b>All ADB Staff (132)</b>	<b>6.67</b>	<b>5.71</b>	<b>6.43</b>	<b>5.18</b>	<b>5.64</b>	<b>5.33</b>	<b>6.20</b>	<b>5.51</b>	<b>46.67</b>
<b>BPMSD (1)</b>	7.00	6.00	7.00	6.00	7.00	6.00	6.00	7.00	52.00
<b>COSO (14)</b>	7.43	6.14	6.64	5.93	6.36	6.21	6.43	5.79	50.93
<b>CTAC (1)</b>	8.00	9.00	10.00	10.00	9.00	8.00	8.00	8.00	70.00
<b>CTL (3)</b>	5.67	4.67	5.33	5.67	5.67	5.33	5.67	5.33	43.34
<b>CWRD (7)</b>	5.14	5.14	6.00	3.14	4.29	3.43	6.14	4.43	37.71
<b>DER (3)</b>	8.33	7.33	7.67	7.00	7.33	6.67	7.00	7.00	58.33
<b>EARD (3)</b>	5.67	5.67	3.67	4.33	5.00	5.00	5.00	4.33	38.67
<b>ERD (2)</b>	7.50	7.00	8.50	5.50	6.00	6.00	8.50	7.00	56.00
<b>MDG (1)</b>	5.00	5.00	7.00	5.00	4.00	2.00	6.00	4.00	38.00
<b>OAFA (1)</b>	7.00	6.00	7.00	8.00	7.00	7.00	7.00	7.00	56.00
<b>OAS (2)</b>	9.00	7.00	5.00	5.00	6.00	5.50	6.00	4.50	48.00
<b>OED (14)</b>	7.36	6.14	6.43	4.86	5.14	4.71	5.21	4.64	44.49
<b>OGC (1)</b>	8.00	7.00	5.00	5.00	5.00	5.00	8.00	7.00	50.00
<b>OIST (1)</b>	7.00	6.00	8.00	6.00	6.00	5.00	8.00	4.00	50.00
<b>OREI (3)</b>	7.67	6.00	5.67	5.00	4.33	4.67	5.67	4.33	43.34
<b>OSEC (1)</b>	2.00	2.00	5.00	5.00	5.00	5.00	5.00	5.00	34.00
<b>PARD (6)</b>	6.50	6.50	6.17	4.83	6.17	5.67	7.00	5.00	47.84
<b>PSOD (4)</b>	6.50	4.50	6.00	6.25	6.75	5.25	7.00	6.75	49.00
<b>RM (1)</b>	7.00	5.00	9.00	5.00	4.00	7.00	8.00	6.00	51.00
<b>RSDD (34)</b>	7.29	6.41	7.09	5.77	6.35	6.18	6.47	6.18	51.74
<b>RSOD (1)</b>	9.00	6.00	7.00	6.00	9.00	7.00	8.00	9.00	61.00
<b>SARD (7)</b>	6.29	4.29	6.00	4.14	4.29	4.29	6.14	4.29	39.73
<b>SEID (1)</b>	2.00	1.00	4.00	1.00	3.00	2.00	1.00	1.00	15.00
<b>SERD (9)</b>	4.56	3.56	5.33	4.00	4.44	4.11	5.67	5.11	36.78
<b>SPD (2)</b>	5.00	5.00	7.00	4.00	4.50	4.00	6.00	6.50	42.00

*Table 5: Analysis of ADB staff (by department) responses for the eight MAKE knowledge performance dimensions (number in parenthesis is total number of responses from the department).*

In some instances, there has been a significant shift in departmental perceptions regarding the value of the KM implementation processes. For example, in the 2006 KM Study the total score for department COSO was 27.00. In this year's KM Study the figure was 50.93 – an 88.6% improvement. And, in the 2006 KM Study the total score for

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department SARD was 30.60. In this year's KM Study the figure was 39.73 – a 29.8% improvement.

On the other hand, some departments have become more 'skeptical,' such as SERD which had a total score of 50.71 in the 2006 KM Study; in this year's KM study the score dropped to 36.78 – a 27.5% decline.

Year-on-year changes for other departments with five or more responses are: CWRD (16.8%), OED (-10.0%), PARD (26.8%) and RSDD (-3.6%).

It is important to remember that perceptions of the KM implementation process can be affected by changes in personnel and leadership, or reorganization of a department.

It is important that ADB management examine those departments where perceptions of the KM implementation process have undergone significant change (positive and negative) in order to understand the reasons why. This will allow ADB management to transfer best practices from pro-KM implementation departments and to provide additional resources to those departments needing assistance and support. If left unchecked, it is possible that those departments with increasingly negative views of the KM implementation process may act as barriers to successful KM implementation throughout ADB.

#### **4.4 Data Analysis of ADB vs. MAKE Leaders**

Table 6 provides an analysis of the views of All ADB Staff score versus scores for the 2007 Asian Most Admired Knowledge Enterprises (MAKE) Leaders and 2007 Global MAKE Leaders. In the case of the Asian and Global MAKE Leaders, the scores by knowledge performance dimension are the average of all Winners' scores in each dimension – not the organization with the highest overall score.

The Asian and Global MAKE scores by knowledge performance dimension are determined by a MAKE expert panel consisting of business leaders (Global Fortune 500 companies) and internationally recognized knowledge management / intellectual capital / organizational learning experts. The sampling error for each knowledge dimension is  $\pm 0.09$ .

It is Teleos' experience that when an organization's own staff completes an Enterprise Assessment, they do not have the objectivity or external knowledge of best practice knowledge-driven organizations. As a rule this internal group of participants tends to

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### Analysis of ADB Staff vs. MAKE Leaders

Study/Dimension	1	2	3	4	5	6	7	8	Total
<b>All ADB Staff</b>	6.67	5.71	6.43	5.18	5.64	5.33	6.20	5.51	46.67
<b>Asian MAKE Leader</b>	7.94	7.91	7.90	7.75	7.82	7.84	7.73	7.87	62.76
<b>Global MAKE Leader</b>	8.36	8.02	8.33	8.05	8.04	8.04	7.89	8.29	65.02

*Table 6: Analysis of All ADB Staff responses for the eight MAKE knowledge performance dimensions compared to the 2007 Asian MAKE Leaders and 2007 Global MAKE Leaders in each knowledge performance dimension.*

over estimate their organization’s knowledge capabilities. Therefore, the sampling error for All ADB Staff per knowledge performance dimension is  $\pm 0.18$ .

The All ADB Staff score indicates that ADB’s ‘strengths’ are its ability to create an organizational knowledge-driven culture (Dimension 1), ability to develop and deliver client knowledge-based projects/services (Dimension 3), and ability to work with external stakeholders (Dimension 7).

Dimension 4 (“How effective is ADB in developing staff intellectual growth and managing knowledge assets?”) received the lowest score in the 2007 KM Survey, followed by Dimension 6 (“How successful is ADB in developing and sustaining a learning and sharing culture?”). ADB should revise its strategies and approaches to focus on improvements in these critical knowledge performance dimensions.

The scores in the other three knowledge dimensions are of similar numeric value, reflecting an enterprise-wide agreed perception of ADB’s performance in these areas.

ADB has also been recognized as a Finalist in the 2006 and 2007 Asian and Global MAKE studies. The ADB positional rankings are shown in Tables 7 and 8.

When compared to the other Asian MAKE Finalists (see Table 7), the Asian MAKE expert panel members noted that the ADB’s ‘strength’ is its “*Ability to develop and deliver to clients knowledge-based projects/services*” (Dimension 3). On the other hand, the Asian MAKE expert panel indicates there is room for significant improvement in organizational

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## ADB Positional Rankings in the Asian MAKE Studies

Asia/Dimension	1	2	3	4	5	6	7	8
<b>2007 (21)</b>	21	23	14	19	18	27	20	23
<b>2006 (23)</b>	23	23	20	23	23	18	18	16

*Table 7: ADB positional rankings in the eight MAKE knowledge performance dimensions for the 2006 and 2007 Asian MAKE studies. ADB's positional rank shown in parenthesis.*

learning (Dimension 6). This assessment corresponds to the ADB staff's own views of the organization.

When compared to the other Global MAKE Finalists (see Table 8), the Global MAKE expert panel members identified ADB's 'strength' is its *"Ability to create and sustain an enterprise-wide collaborative knowledge-sharing environment"* (Dimension 5), followed by its *"Ability to develop and deliver to clients knowledge-based projects/services"* (Dimension 3). The Global MAKE expert panel concurs with the Asian MAKE panel that there is room for significant improvement in ADB's organizational learning culture (Dimension 6).

Both the Asian and Global MAKE panels rank ADB's *"Ability to manage and maximize the value of enterprise intellectual capital"* (Dimension 4) slightly higher than does ADB's staff.

The MAKE expert panels commend ADB for the progress it has made towards becoming a leading knowledge-driven organization. According to the MAKE studies, the ADB now ranks in the top 25 Asian knowledge-driven organizations, and ranks in the top 50 global knowledge-driven enterprises.

However, the MAKE expert panel members also note that ADB's KM implementation process appears to be slowing down and yielding fewer breakthrough gains. This trend will make it much harder for ADB to move significantly higher in either the Asian or Global MAKE rankings.

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## ADB Positional Rankings in the Global MAKE Studies

Global/Dimension	1	2	3	4	5	6	7	8
<b>2007 (32)</b>	32	33	21	26	17	46	34	41
<b>2006 (48)</b>	47	49	47	48	40	47	46	48

*Table 8: ADB positional rankings in the eight MAKE knowledge performance dimensions for the 2006 and 2007 Global MAKE studies. ADB's positional rank shown in parenthesis.*

The 2006 and 2007 Asian and Global MAKE study positional rankings and observations by the expert panel members are included to help ADB to understand the level of commitment and best practices which are now achieved by the very best knowledge-driven organizations in the world. The MAKE information can serve as benchmarks as the ADB seeks to improve and refine its KM strategy and implementation process.

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## 5. Recommendations

1. Teleos has observed that organizations move through recognizable stages during a KM implementation process. Based on this year's ADB KM Study as well as the results of the 2007 MAKE studies, it is clear that the ADB is nearing a transition phase between two stages. Typical of this transition phase are changes in senior management leadership, changes in the core KM team (including the senior KM officer), perceived diminishing returns from KM investments (simple knowledge processes have been improved, but more complex knowledge processes have not been examined), and there is a general impression by many managers and staff that the organization's knowledge 'problems' have been solved.

Successfully moving from one KM stage to another is critical to becoming a Most Admired Knowledge Enterprise. Senior ADB management needs to examine, and if required revise, the organizational KM strategy to ensure that the organization continues to improve across all eight of the MAKE knowledge performance dimensions. As shown in Table 6, there are significant opportunities for improvement when compared to Asian and Global MAKE Winners.

**ADB management should revise the KM strategy and prepare a list of new KM 'stretch' goals to embed knowledge creation, knowledge sharing and collaboration into every aspect of the organization's activities.**

2. An analysis of the data reveals that National Officers are 'realistic' in their assessment of ADB's KM implementation process and a majority of them are working to ensure the success of KM initiatives. They understand that a successful ADB KM implementation process will take a number of years to yield substantial positive benefits for the organization. They also understand that it requires constant managerial attention and support.

However, there is a sizeable group of National Officers (29.6%) who are still skeptical of the benefits of ADB's KM implementation process. They do not believe in and/or fully support the ADB KM implementation process. This group of NOs is large enough to significantly impede the successful implementation of KM within the ADB.

**It is important that the revised ADB KM strategy and implementation process address this issue of lack of support by National Officers.**

3. An analysis of the data reveals that Professional Staff continue to be skeptical of ADB's KM implementation process. They apparently are taking a "wait and see"

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attitude when it comes to ensuring the success of KM initiatives. This view is typical of key knowledge workers in the early stages of KM implementation.

On the one hand, these individuals have achieved positions of respect and responsibility due to their expert knowledge. A formal organizational KM implementation process can be perceived as a threat by allowing other staff members to have access to the experts' unique insights and skills. It is therefore often the case that Professional Staff will initially be less supportive of KM than, say, National Officers or Administrative Staff.

On the other hand, Professional Staff also recognize that a KM implementation process can help them in their activities and enable them to improve their own skills and competencies. Once the initial skepticism is surmounted, most Professional Staff usually become very supportive of the KM implementation process.

It should be pointed out that almost one-half of the Professional Staff (46.9%) are somewhat to very skeptical of the benefits of ADB's KM implementation process. Since this large group of Professional Staff apparently do not believe in and/or fully support the ADB KM implementation process, they are in a position to significantly impede and/or derail the successful implementation of KM within the ADB.

The challenge for the ADB is to continue to work with Professional Staff to demonstrate the value of the KM implementation process. The Professional Staff need to understand that their expertise will not be less valued, but on the contrary will be more valued as the KM implementation process continues to unfold.

**It is critical that the revised ADB KM strategy and implementation process address this issue of lack of support by Professional Staff.**

4. The scores in this year's KM Survey indicate that Administrative Staff positively view the ADB's KM implementation process, and are, in general, supportive of current KM initiatives.

**The challenge for ADB management is to focus their efforts on National Officers and Professional Staff, but at the same time not to neglect the involvement of Administrative Staff in the KM implementation process.**

5. Section 4.3 provides responses by individual ADB Departments. Some Departments are now supporting the KM implementation process, others see no need to change, while a few Departments are very skeptical that any change is possible. It is also a concern that Departments which appeared to be supportive of

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the KM implementation process in the 2006 KM Survey now are considerably less supportive.

**The ADB should pay special attention to the staff in these ‘non-participating’ Departments, otherwise they could act as focal points – indeed barriers – to the successful implementation of ADB’s knowledge strategy.**

- 6 Over the past three ADB KM Studies, there has been substantial improvement in five of the eight MAKE knowledge performance dimensions. However, there are opportunities for significant improvements in the following two areas:

*D4. Ability to manage and maximize the value of enterprise intellectual capital.* (“How effective is ADB in developing staff intellectual growth and managing knowledge assets?”).

*D6. Ability to create and sustain a learning organization.* (“How successful is ADB in developing and sustaining a learning and sharing culture?”).

And, over the past year the score in the following MAKE knowledge performance dimension has slightly declined:

*D5. Ability to create and sustain an enterprise-wide collaborative knowledge-sharing environment.* (“How ADB values staff’s knowledge contributions in sustaining a knowledge-driven environment through development of knowledge databases, participation in communities of practices, etc.?”).

**When ADB management reviews the organization’s KM strategy and implementation process, they should include specific activities to improve the organization’s intellectual capital management and organizational learning capabilities, as well as address the issue of enhancing ADB’s knowledge sharing and collaboration environment.**

Submitted on December 10, 2007, by:

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