KEY POINTS

- Knowledge is an essential resource informing and shaping purposeful change of any kind.
- Real change and new approaches to knowledge operate in a virtuous cycle. Knowledge creates a capacity for change, and the desired change shapes new ways of deploying knowledge.
- The preparation and implementation of the Knowledge Management Action Plan 2021–2025 demonstrates how ADB is managing change through clarity of purpose, by allocating resources to sustain and guide change, as well as having consultations to communicate and contextualize this change.

How the Asian Development Bank Uses Change Management to Unlock the Value of Knowledge

KNOWLEDGE AND CHANGE GO HAND IN HAND

Knowledge is an essential resource that is needed to inform and shape purposeful change of any kind. However, institutions and organizations are configured to use their knowledge in certain predetermined ways. When the environment changes rapidly, new and complex challenges emerge, but these configurations can inhibit flexibility if they reinforce old ways of doing things. Institutions and organizations must also change so they can exploit knowledge that is collected, and acquire new and productive ways of operating. They must rethink the way they manage knowledge in all its forms, whether explicit, in documents and data, or implicit, in the complex, intangible ways people share, interact, collaborate to solve problems, or build experience and enhance skills.

Real change and new approaches to knowledge operate in a virtuous cycle: knowledge creates a capacity for change, which must be translated into actions, for example, solving problems that change brings about; and the desired change, in turn, shapes the new ways knowledge needs to be deployed. This is at the core of knowledge management.

Change management and knowledge management start from the same fundamental questions:

(i) What is our purpose?
(ii) What do we need to achieve and how do we need to adapt to achieve that purpose?
(iii) What knowledge resources and capabilities do we have to support that change?
(iv) How can that available knowledge be best deployed and what new knowledge capabilities do we need to acquire?
(v) To what extent should we change our existing knowledge capabilities so these do not impede new ways of working?
(vi) How do we learn best from the application of old and new knowledge?

Notes: The authors of this brief are Susann Roth, advisor, Sustainable Development and Climate Change Department and Chief of Knowledge Management, and Mary Jane Carangal-San Jose, knowledge management specialist, Knowledge Advisory Services Center, from the Asian Development Bank (ADB) along with Patrick Lambe, partner, Straits Knowledge. Jane Parry, public health and development analyst (consultant), was the technical writer while Pamela Wyatt, principal public management specialist, Pacific Department, ADB, was the peer reviewer.
An organization needs to have a clear sense of purpose and a vision. From this starting point, it is possible to then map the necessary core capabilities and see what inhibitors to that process need to be dismantled. Achieving this self-awareness and sense of purpose in a large and complex organization involves sharp and honest self-examination from many perspectives and by all stakeholders. Once clarity is achieved, it needs to be communicated clearly and constantly until it becomes the new way of seeing and acting.

This is how the Asian Development Bank (ADB) developed its Knowledge Management Action Plan 2021–2025, or KMAP.

THE IMPORTANCE OF PURPOSE

Given a clear sense of purpose and of how actions and outcomes should change, it is then possible to work with those directly involved in the actual work, to take stock of:

(i) the knowledge resources and capabilities available;
(ii) pain points, and obstacles and resistance that get in the way of the desired outcomes (including culture, values, attitudes, habits, or behavior);
(iii) knowledge gaps in relation to the new needs; and
(iv) knowledge-building opportunities that support the new goals.

This can support a systematic redirection of the ways knowledge is created, curated, stored, shared, used, and transferred, in support of the new work objectives. In ADB’s case, this was not just an internal self-assessment. The preparation of the KMAP was a participatory process that involved key stakeholders—ADB’s developing member countries.

ADB’S KNOWLEDGE MANAGEMENT ACTION PLAN 2021–2025

The KMAP lays out a road map for transformation, whereby three pillars—people, process (including information technology [IT]), and relationships—are all synchronized. This is underpinned by a clear theory of change: a comprehensive description and illustration of how and why a desired change is expected to happen in a particular context. It is also strategically aligned with ADB’s Strategy 2030 and the bank’s digital and innovation agendas. The creation of the KMAP perfectly illustrates how ADB adopted one of the core principles of successful change management—genuinely participatory co-creation—to transform the generation and management of knowledge at the bank.

At ADB, the change process for knowledge management began in 2017, with a working group of 77 staff drawn from all departments across the bank. This was the initial self-examination and purpose-setting phase. The cohort was subsequently narrowed down into a more focused 12-member working group, tasked with figuring out if knowledge is being well-managed and in support of ADB’s new strategy and agenda. The group convened people with particularly valuable expertise that is critical to both managing knowledge and managing transformation on this scale. For example, human resources and administrative services staff were best equipped to contribute on people and IT system issues, while those from operations departments looked at critical processes.

New Ways to Navigate Change

In 2020, at the beginning of the coronavirus disease (COVID-19) pandemic, the group realized that a much more ambitious and transformational plan was needed than had been previously anticipated. The pandemic sharply highlighted the critical value of knowledge and the ability to deploy knowledge in new ways, to navigate uncertainties, and inform decision-making.

Subgroups were convened and a core working group was formed to draft the KMAP. The work began with a “theory of change” workshop so everybody involved was clear about the purpose and desired outcomes of the change, how they should be framed for ADB, and the driving factors of sound knowledge management.

The KMAP creation process was not just based on internal stakeholder views; it was also informed by an independent evaluation of ADB’s readiness to implement its long-term agenda to support its developing member countries. In addition, for the KMAP to work hand in hand with the broader transformation agenda, it had to align with other ongoing reforms in the bank, such as culture transformation, a review of resident missions (ADB country offices), the bank’s digital agenda, and the country partnership strategy process, which identifies the priorities of ADB’s country portfolios.

The KMAP went through multiple rounds of rigorous review, including three presentations to the Board of Directors, reviews by all departments, and external peer reviews by academics and thought leaders in other knowledge-intensive organizations.

SUPPORTING THE CHANGE

As anyone who has tried to quit smoking or take up a new way to keep fit knows, change comes with a cognitive burden. It is mentally challenging to make change and even harder to sustain it. The same is true for organizational change. This is why change management has to support not just a shift in habits, routines, processes, and working assumptions, but also offer a framework for those changes to be sustained. It takes effort and continued support to become aware of changes, and to become more deliberate about reshaping them in support of the new ways of working.

Sustaining change also requires a lot of individual interactions and conversations to understand the perspectives of everyone in the organization, and the challenges and burdens they face in making

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these shifts. It is critical to understand the benefits that come from a change process for everybody. A change management team needs to understand “what’s in it for each of its stakeholders.” The language of knowledge management can be foreign and abstract for nonexperts. This is why it is important to use language that is practical and that staff members can relate to their own work.

Designing and framing change is a process of negotiation, whereby participants frame the new processes; pilot, customize, and contextualize them; then refine them, checking against the overall purpose as they go, and not forgetting to mark and celebrate progress. People need to be accompanied and supported throughout the change process. Sometimes, the support will come from champions and leaders who can seize opportunities to build motivation, or who know when to take off the pressure so people can pause and gather their energy. Sometimes, the support will come from external facilitators or coaches who can bring broader perspectives and fresh ideas, or who can help participants to see old things in new ways.

Finding the Focal Points

A key part of the ADB approach was to appoint knowledge management focals in each department. In 2021, ADB’s Vice-President for Knowledge Management held a retreat to discuss the roles and responsibilities of department knowledge management focals. The retreat sought feedback from department heads on arguably the most important aspects of successful implementation: how many staff members should do knowledge management work, what their profile and role should be, and how much of their time should these responsibilities take up.

Terms of reference were drafted at the retreat, then taken to former and potential knowledge management focals across the bank. It became clear that focals would need to be empowered to accommodate 10%–15% of their time for knowledge management work, and they would benefit from the support and sense of common purpose from being part of the large ADB-wide knowledge management network. With this expectation, all departments nominated focal representatives in 2022: 96 staff, including those from resident missions and regional offices.

Once ADB had identified its knowledge management focals, the next step was to bring them together so they could get a sense of the community they were a part of, and also share ideas and experiences. An onboarding workshop was held for the focals to understand how they can contribute to improve the flow of knowledge, as well as to ascertain how these tasks can help improve their daily work. Discussions during the workshop explored common issues departments face in managing their knowledge, as well as their expected contributions to implement the KMAP.

ADB’s 96 knowledge management focals come from a variety of backgrounds and are involved in work related to knowledge and advisory, operations, and support and administrative services. Given this diversity, training is invaluable to ensure all staff have a common understanding of what constitutes sound knowledge management. ADB developed focals’ capacity by training them on knowledge management fundamentals, design thinking, systems thinking, integrated project approaches, modern methods of communication, and the International Standards Organization (ISO) standard 30410 on knowledge management. Skills gained from this training enabled the focals to lead discussions at the Knowledge Forum 2021 on a variety of topics, such as distilling lessons learned from knowledge support technical assistance in Central and West Asia; integrating value for money in public–private partnerships; digital fitness; capturing impacts of urban development projects; and future-proofing knowledge management systems.

CONTEXTUALIZING THE CHANGE

The KMAP sets the overall purpose and objectives for how ADB will deploy and use its knowledge to implement Strategy 2030. This purpose and vision then needed to be translated into the specific work contexts across ADB’s various departments and functions. During the creation of the KMAP, it was clear that for it to be successful, it would have to command the respect and support of all departments, and it should help all staff to think of knowledge management as a responsibility that is baked into the way work is done. With this in mind, ADB guided the formulation of knowledge management road maps that can support the work programs of each department.

The framework provided by the KMAP was used to guide the knowledge focals in each department and to help them identify their priority knowledge needs, knowledge management opportunities, and the solutions and support they would need to meet those opportunities. The Knowledge Advisory Services Center under the Sustainable Development and Climate Change Department (SDCC–KC), as ADB’s center of excellence for knowledge management, supported each department in identifying issues related to managing its knowledge by:

(i) running and analyzing department surveys;
(ii) leading focus group discussions around user journeys for departments;
(iii) reviewing the draft road maps;
(iv) coaching departments on how to frame their road maps; and
(v) advising them on common issues, solutions, and areas of potential support.

In doing so, the road maps were anchored in specific working contexts, and in core business needs.

With one in six staff members (approximately 500 out of over 3,000) participating in the surveys, the data was broadly representative and provided a big picture view of how the KMAP could be operationalized. In all, 13 departments ran surveys, 6 held focus group discussions, and 2 conducted user journey workshops. By the end of 2021, 21 out of 25 had completed the preparation of their own knowledge management road maps. The road maps were endorsed by department heads and communicated with team members to ensure buy-in. Preparing the road maps was a capacity development exercise in itself for staff, and created ownership over the knowledge management agenda.
COMMUNICATING CHANGE

Effective change management can only happen when the change design process has been truly participatory, and when it also includes provision for the tools and support to implement it. However, ADB’s experience with creating the KMAP showed it is impracticable to include everybody all the time, even when the design process is highly participatory. Moreover, organizations are open systems with a flow of people in and out. When designed changes are ready to be rolled out, everyone—from established staffers to newcomers—needs to hear about it. The change management landscape is strewn with the ghosts of unsuccessful attempts to change an organization that fell not because the changes themselves were at fault, but because the changes were poorly communicated and human behavior was not considered, including the cognitive burden involved in changing habits of work, and in trying to navigate change while still meeting current work demands.

Fortunately, both the failures and successes have been well-researched. In the 1990s, transformation consultant and simplicity guru, Bill Jensen, sent research assistants out to large corporate town halls that had been convened to communicate major organizational changes. He analyzed the types of questions asked and found that recipients of a change initiative typically have five major questions. These are useful framing questions for any change communication and have implications for supporting the change management (next table).

GOVERNING AND GUIDING THE CHANGE

As Jensen’s research has shown, the most frequent and pressing question for those faced with change is not only what’s in it for them, but how they will be supported and recognized to make the change happen. The more complex the change is and the more that the change impacts on established routines, the more support will be needed along the way.

Humans develop routines and habits because this helps them to get things done with the minimal outlay of cognitive effort. This frees up bandwidth to contend with the unexpected, as well as with daily stresses, challenges, and decisions that arise. With change management, reliance on habits alone to carry people along is not enough. Depending on its complexity, it may take 3–6 months, regular follow-up, recognition of successes, and several operational cycles before a change begins to become part of the routine work.

Implementing knowledge management in ADB has included the creation of an interim knowledge governance group to oversee and advise on the bank’s knowledge activities. Apart from the support given through advisory and coaching, as well as resources and capacity building, several other strategies can be deployed to support this process:

- **Metrics.** This enables tracking the new knowledge culture, process, or use of a tool, and intervening to provide help where trends seem to be stalling or moving backward. For ADB, this is done through a client satisfaction survey, the American Productivity and Quality Center Knowledge Management Capability Assessment Tool, and an ISO KM 30401 audit that helps identify areas for improving knowledge management.

- **Demonstration.** If the nature of work allows it, the change can be rolled out incrementally, team by team, allowing the change support team to focus on one team at a time, and build confidence through experience and success stories. As part of implementing KMAP, ADB rolled out a dynamic country knowledge program (CKP), beginning with the Philippines and Viet Nam. Their experiences enabled the adoption of the new process in more than 14 resident missions to date. The CKP is becoming a critical tool to show the benefits of knowledge management for country teams.

- **Buddy System and Help Desk.** Designated people who were involved in the design of the change as power users can assist their colleagues when they have questions or issues. ADB formed an online community site on knowledge that features learning materials for knowledge focals and houses department road maps so that departments can learn from each other. The community site has drawn over 50,000 visits as of mid-2022. The knowledge community also established clinics and buddy systems across the network.

- **Onboarding.** This is key for newcomers to the organization, so they are not exposed to the old ways of working and are clear about which approach to use. Since 2020, the briefing session for new staff in ADB has included a session on knowledge management to demonstrate the bank’s focus on actionable knowledge. A special onboarding program for staff in the Sustainable Development and Climate Change Department is being rolled out in 2022 to ensure that new staff understand the critical role of knowledge in ADB.

- **Feedback Mechanisms.** Issue logs, frequently asked questions, and progress meetings are all good examples of ways to have a clearly identified feedback mechanism. This helps identify and remove unanticipated barriers and, at the same time, helps to build confidence in the desired change. SDCC-KC held progress meetings with individual departments in early 2022 to identify what knowledge focals need to implement their knowledge management road maps and keep these on track. Meetings are also held quarterly with these focals to share good knowledge management practices.

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## Addressing Key Questions on Organizational Change

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<th>Change Communication Question</th>
<th>How ADB Addressed This</th>
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| 1. **How is this change relevant to me?**  
Conveying this requires audience-specific briefings with concrete, relatable examples. This is an opportunity to showcase how the change management process was participatory throughout, because only then is it possible to demonstrate a concrete awareness of how the change is going to impact the audience’s work. | ADB prepared the KMAP 2021–2025 to strengthen the bank’s provision of knowledge services at a time when its developing member countries are increasingly looking to the bank, not only for financing, but also for knowledge support. By enhancing the way it manages its knowledge, ADB can deliver quality knowledge to its client countries. The goal is to make knowledge available when it is needed and in useful formats. |
| 2. **What specifically do you want me to do?**  
People want to understand the broad changes to their organization, but what they are typically most concerned about is what it means for them, their work, and their daily routines. For knowledge management, changing people’s daily routines is exactly what needs to happen. Knowledge needs to be deliberately sought, shared, found, and applied. Answering this question presents an opportunity to inspire people to build new knowledge management processes into their daily work life. | SDCC-KC guided and advised knowledge management focals to identify the knowledge priorities needed to perform their work better. Focals were tasked to lead the formulation and implementation of road maps that will identify initiatives to ease the flow of knowledge within and across departments. |
| 3. **What will happen if I comply or do not comply?**  
This question might sometimes be about the degree to which the change will be enforced. However, it is mostly about how consequential compliance or noncompliance will be. If the implications of noncompliance are fairly trivial, the importance of the change will diminish in relation to other work priorities. For most white-collar knowledge workers, the benefits from complying are more important than the consequences from noncompliance. Research found that knowledge workers mostly need recognition of their work and opportunities for professional growth. | ADB encouraged staff to embrace the value of knowledge management by celebrating good results from sharing knowledge through knowledge solutions and disseminating this to a wide audience to boost recognition. Key knowledge management culture aspects also became part of ADB’s newly articulated core values of being “client-centric,” “trustworthy,” “transformational,” and how staff embrace these values in annual performance reviews. |
| 4. **How will you help me do it?**  
**What tools and resources are available?**  
In Jensen’s research, this was the most frequently asked question. It implies that most people are open to change, especially if they can see the rationale for it. However, they recognize that a shift in routines and habits takes time and effort, and so they want to know how they will be helped through the change process. They also want to be sure that their managers are keen in this change and follow up on new behaviors. | SDCC-KC developed a learning curriculum for knowledge management focals and interested staff to shepherd the change needed to improve the flow of content across the bank. This training covers the basics of knowledge management, systems thinking, futures thinking, and modern ways of communication. SDCC-KC has also conceptualized training for managers and country directors to bring staff across the bank to a common understanding of how best to manage knowledge. |
| 5. **What are the benefits of the change for me?**  
This question is less frequently asked than the one above. People want to know what the benefits will be for them, and they often want to have more recognition for their knowledge and networks, but more than that, they appreciate honesty about anticipated difficulties and challenges along the way. | SDCC-KC analyzed the utility of knowledge management in each step of the business cycle (from country portfolio planning to project implementation and evaluation) and discussed the benefits with respective staff members. SDCC-KC is also working on establishing the potential of a career path on knowledge management and identifying competencies to help manage knowledge better. |

ADB = Asian Development Bank, KMAP = Knowledge Management Action Plan, SDCC-KC = Knowledge Advisory Services Center (under the Sustainable Development and Climate Change Department).

SDCC-KC has also established the Brilliant Failures Series to talk openly with the bank team about failures and lessons learned from those.

Storytelling. Success stories can make it easier to connect tangible results to intangible concepts. Stories and narratives have also been proven to be more powerful than facts and data to convince people to change. ADB’s shift toward enhancing the quality, rather than the quantity, of its knowledge led to the preparation of knowledge solutions since 2019. This curated collection of stories shows how ADB's knowledge delivered results by providing evidence-based information to aid policy makers make well-informed decisions, supported the delivery of the bank’s projects, and enhanced capacity for implementing projects. ADB also shares how-to-knowledge through forums and innovation fairs, and captured these in various sites, including in Development Asia that has drawn 1.5 million cumulative page views as of May 2022.

KEY LESSONS FOR STRENGTHENING ADB’S KNOWLEDGE MANAGEMENT FOCALS NETWORK

Change is a long process. Implementing the KMAP and learning how to make knowledge work during the process of implementing change entails ensuring everyone realizes and embraces the value of managing knowledge.

There are rigidities in ADB’s work that act against smooth and rapid change, and more productive and flexible use of knowledge. It can be challenging to work with short donor cycles and project-focused processes with time frames bound to project implementation periods. The same goes for staff rotations and annual performance metrics oriented toward financial services, which can include the amount of financing for projects approved and funds disbursed. These can inhibit impact evaluations, learning, and reflection while leading to a focus on knowledge products—rather than knowledge capacity building, productive learning, and knowledge transfer. The KMAP is grounded in a recognition that this needs to change and the shift to knowledge solutions is still a work in progress.

COVID-19 and the climate crisis have shown that making knowledge available is not sufficient to drive effective action by itself. To be used effectively, knowledge needs to be supported by clear processes and habits of action. The KMAP was developed at a critical time, when ADB was going through a “once in a generation” transformation, and while the regional and global context was rapidly changing. The climate crisis is accelerating, geopolitical tensions are having more impact, COVID-19 recovery is uncertain, and the future impact of digital technology is beyond most people’s imagination.

The KMAP is an opportunity for ADB to put knowledge first and to understand how knowledge can be better managed to advance development within the organization, development partners, and—most importantly—for the developing member countries.

About the Asian Development Bank
ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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Asian Development Bank
6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 8632 4444
Fax +63 2 8636 2444

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