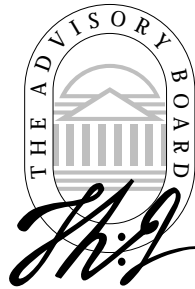


CHAPTER FOUR

Managing Core Competencies of the Corporation



Communities of Knowledge

Tactic #17: Organizational Network Mapping 395

Tactic #18: Human Asset “Yellow Pages” 411

Tactic #19: Knowledge Transfer Engineering 439

Exposure to New Business Disciplines

Tactic #20: Intellectual Capital Accounting 457

Tactic #21: Human Resources “Executive Producer” 475

Tactic #22: Human Asset Planning 497

Managing Core Competencies of the Organization

Tactic #17

Organizational Network Mapping

Definition

Based on simple set of inputs, computer generates graphical and quantitative representations of informal knowledge networks within an organization. Tactic driven by failure of traditional process and organizational maps to capture the increasingly complex nature of work processes. Tactic represents most accurate, systematic means yet seen to identify key value creators, informal knowledge communities that drive corporate core competencies.

Corporate Leadership Council Grade: A

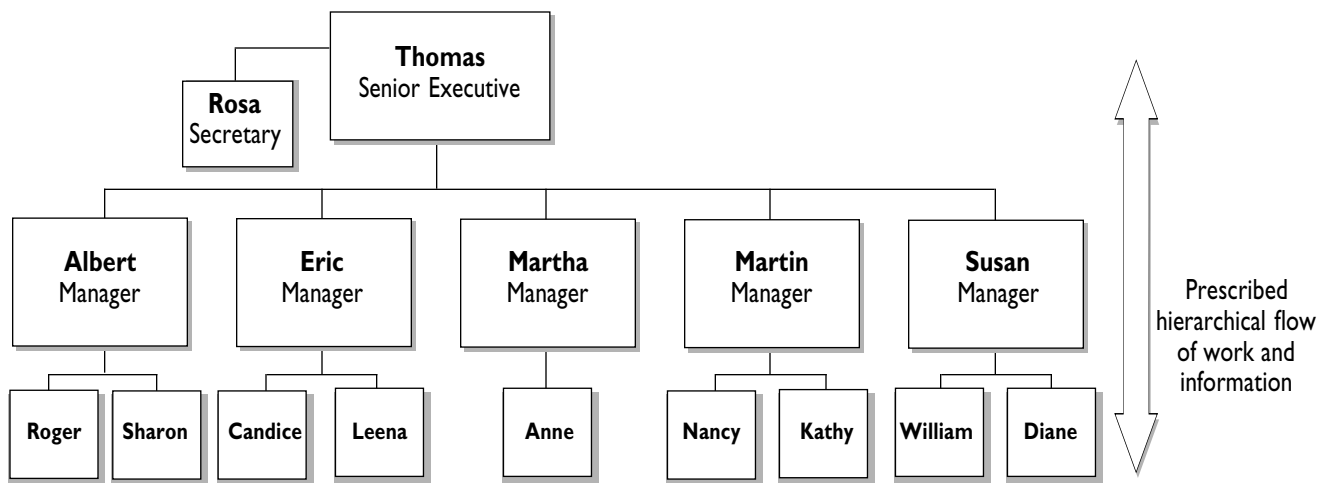
TACTIC DESCRIPTION

Conclusion #1 Small number of organizations attempting close analysis of the company hidden behind the organizational chart; in organizational “network mapping,” company takes hard look at informal personal contacts through which work gets done (and information is shared)

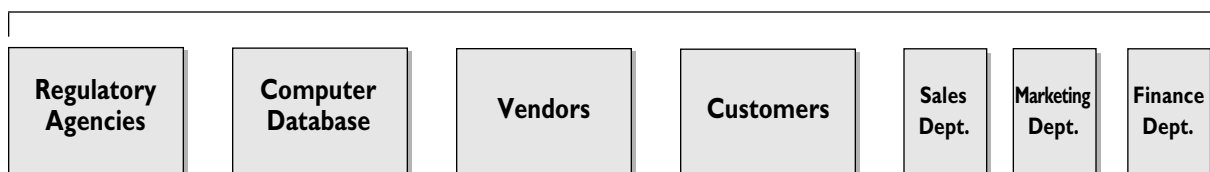
REVEALING THE

Organization charts “prescribe” that work and information flow in a hierarchy...

Research and Development Department



External entities not included in Thomas's organization chart

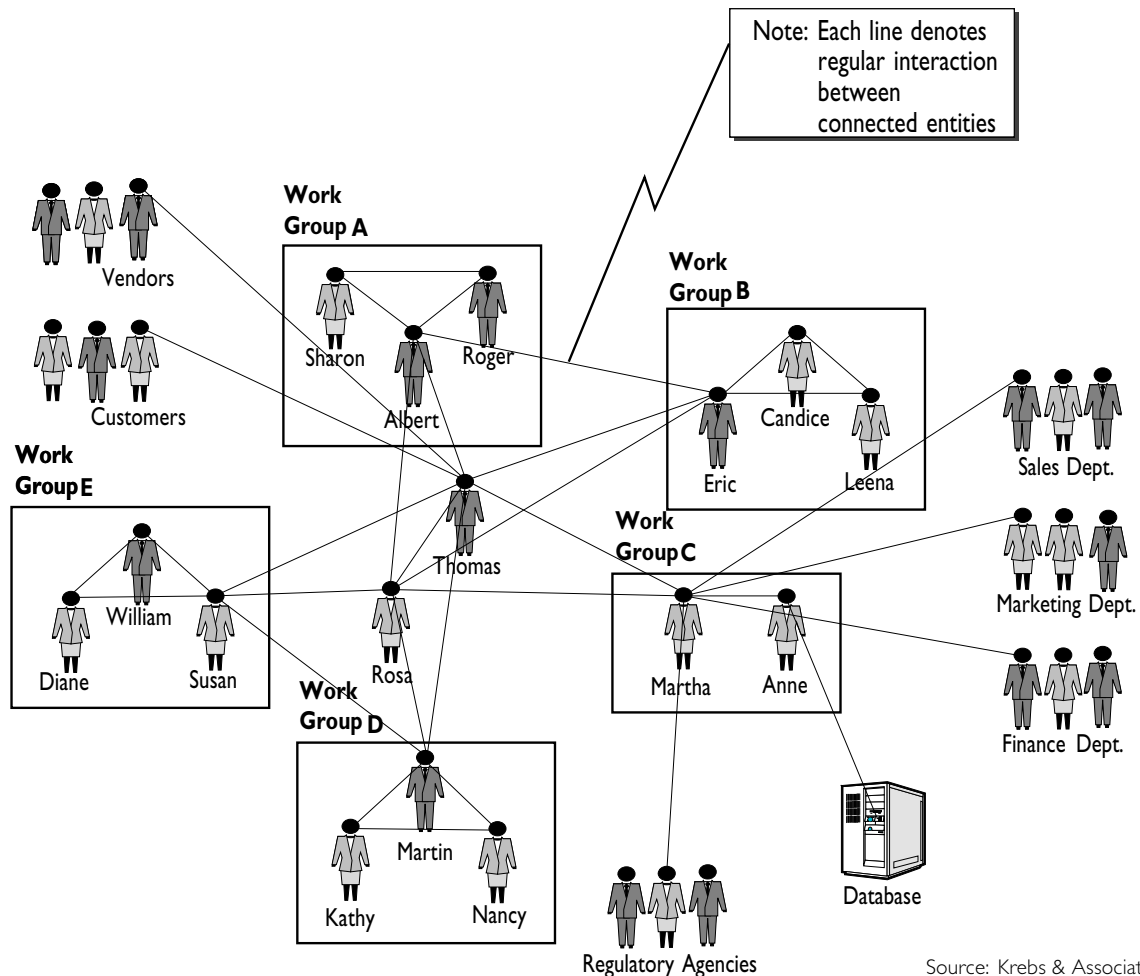


Conclusion #2 Network mapping grew out of conviction that work flow (and information exchange) is a subterranean and therefore unmanaged process at most companies; traditional organization chart—and even run-of-the-mill process maps—fails to capture complex web of informal interactions

“REAL ORGANIZATION”

...but network mapping reveals that work and information actually flow through vast web of informal channels

Network Map of Work Interactions



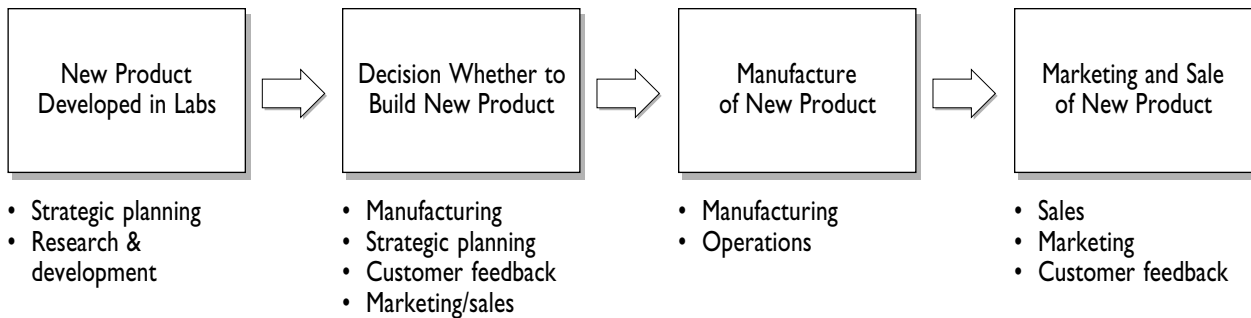
Source: Krebs & Associates.

Conclusion #3 Goal is to illuminate informal organization in order to identify not only clear breakdowns in cooperation and sharing but also opportunities to strengthen viable but imperfect elements of the “collaborative fabric”

Conclusion #4 Three steps to generating a network map; Step 1: Select employees, departments and outside vendors to be assessed (inclusion of all parties “touched” by organization necessary for complete understanding of emerging networks)

Casting a Wide Net

Case in Point: Determining Organizational “Players” in Product Development and Rollout



IDENTIFYING THE INDIVIDUAL “PLAYERS”

“Oftentimes the best source of information on which people and departments are involved in processes is not the people involved in the process, but their administrative assistants.”

Gerry Falkowski
IBM Consulting

Source: Council hypothetical.

Conclusion #5 Step 2: Gather data necessary to evaluate current collaboration patterns; inquiry focuses on both reason for and frequency of interactions

Mapping the Many Dimensions of Interpersonal Interactions

Customized survey is developed to evaluate an organizations particular need(s)...

ASSESSED DIMENSIONS	SAMPLE QUESTIONS
Mission and vision	<ul style="list-style-type: none"> • With whom do you discuss the company vision and business strategy? • With whom do you discuss what is important and valued in the organization?
Work interactions	<ul style="list-style-type: none"> • With whom do you work to get your job done [exchange information, documents and other resources]?
Grapevine	<ul style="list-style-type: none"> • With whom do you discuss what is going on at work, and who is doing what in your organization?
Decision making	<ul style="list-style-type: none"> • From whom do you seek inputs, suggestions and feedback before making a decision?
Innovation	<ul style="list-style-type: none"> • With whom do you discuss ideas, innovations, and better ways of getting things done?
Expertise	<ul style="list-style-type: none"> • To whom do you go for expert advice in doing your work?
Customer knowledge	<ul style="list-style-type: none"> • With whom do you discuss customer needs and market demands?

...and employees then fill out survey answering how frequently they interact with their coworkers

Surveyed Employee: Marty Wiadro		
Question	Employee	Frequency Score
① With whom do you discuss ideas, innovations and better ways of getting things done?	Jeff Weldman	3
	Shari Barnett	5
	Jon Kurtz	4
	Tamara Fagell	0
	John Wasserman	5

Score Card

Frequency of Contact	Frequency Score
None.....	0
Yearly.....	1
Quarterly.....	2
Monthly.....	3
Weekly.....	4
Daily or more.....	5

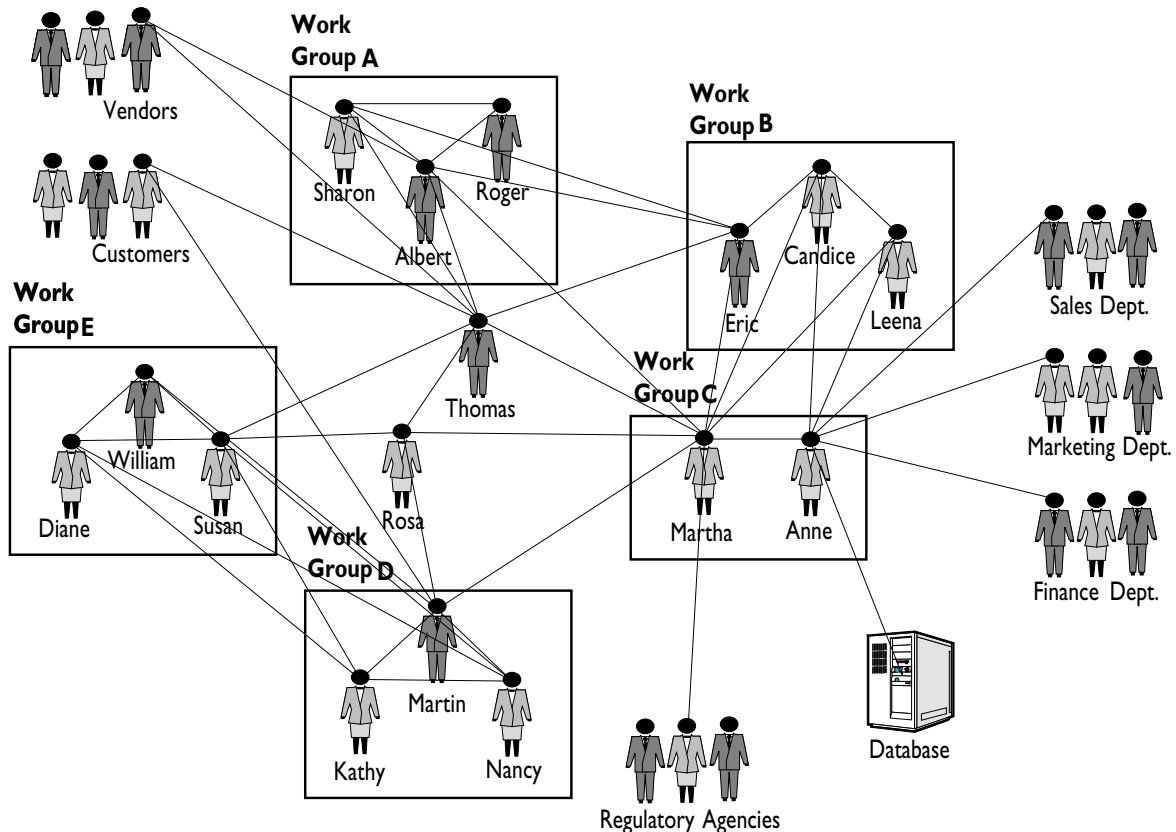
Source: Krebs & Associates.

Conclusion #6 Step 3: Generate detailed quantitative and visual summary of the informal network; this “map” provides an assessment of the quality and number of linkages between people in the collaborative network (and spotlights people who generate critical insights)

NETWORK ANALYSIS ILLUMINATES

Network interactions...

Network Map of Work Interactions



Conclusion #7 Next Step Upon Completion of All Necessary Maps: Close analysis of steps to create more efficient work patterns, support better information “pooling,” and safeguard valuable personnel

QUALITY OF WORK INTERACTIONS

...can be assessed quantitatively

Assessment Types

<u>Activity</u>	
Measurement of how active a person is in the network (low = 0, high = 1)	
<u>Person</u>	<u>Activity Score</u>
Thomas	0.364
Martha	0.318
Rosa	0.273
Martin	0.227
Susan	0.227
•	•
•	•
•	•
Candice	0.091
Leena	0.091

<u>Control</u>	
Measurement of how much control a person has over the flow of information (low = 0, high = 1)	
<u>Person</u>	<u>Activity Score</u>
Thomas	0.455
Martha	0.407
Rosa	0.390
Martin	0.234
Susan	0.234
•	•
•	•
•	•
Eric	0.234
Anne	0.058

<u>Reach</u>	
Measurement of how much potential influence a person wields (low = 0, high = 1)	
<u>Person</u>	<u>Activity Score</u>
Rosa	0.955
Thomas	0.955
Martha	0.636
Martin	0.545
Susan	0.545
•	•
•	•
•	•
Candice	0.227
Leena	0.227

<u>Access</u>	
Measurement of how easily a person can get the resources he or she needs to be successful in the organization (low = 0, high = 1)	
<u>Person</u>	<u>Activity Score</u>
Thomas	0.595
Rosa	0.564
Martha	0.489
Martin	0.440
Susan	0.440
•	•
•	•
•	•
Candice	0.314
Leena	0.314

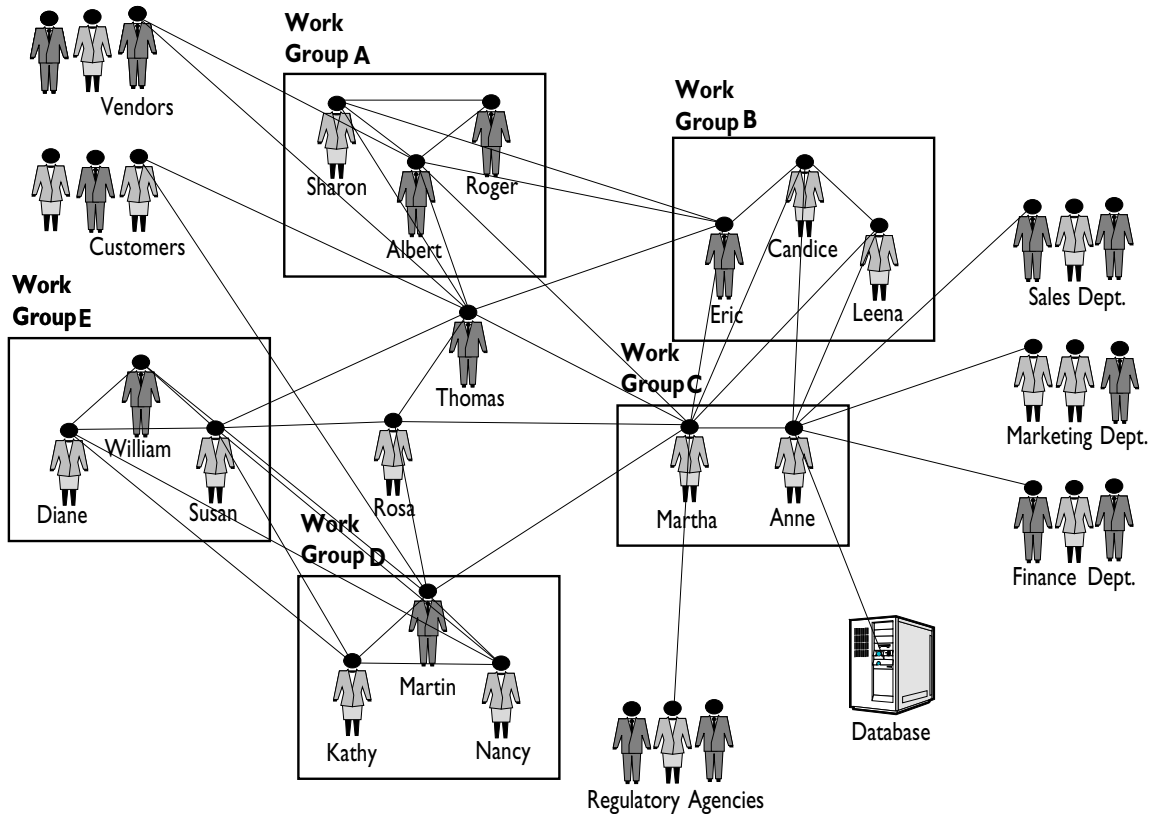
<u>Power</u>	
Measurement of how much power a person has to “get things done” (low = 0, high = 1)	
<u>Person</u>	<u>Activity Score</u>
Thomas	0.668
Rosa	0.636
Martha	0.511
Martin	0.406
Susan	0.406
•	•
•	•
•	•
Candice	0.181
Leena	0.181

Conclusion #8 Requisite Follow-Up: Periodically resurvey same group to determine whether attempts to improve communications flow (and protect critical human assets) have “taken”; longitudinal snapshots of organization enable management to monitor the effectiveness of change efforts

UNCOVERING COMMUNITIES

Though organized in five work groups...

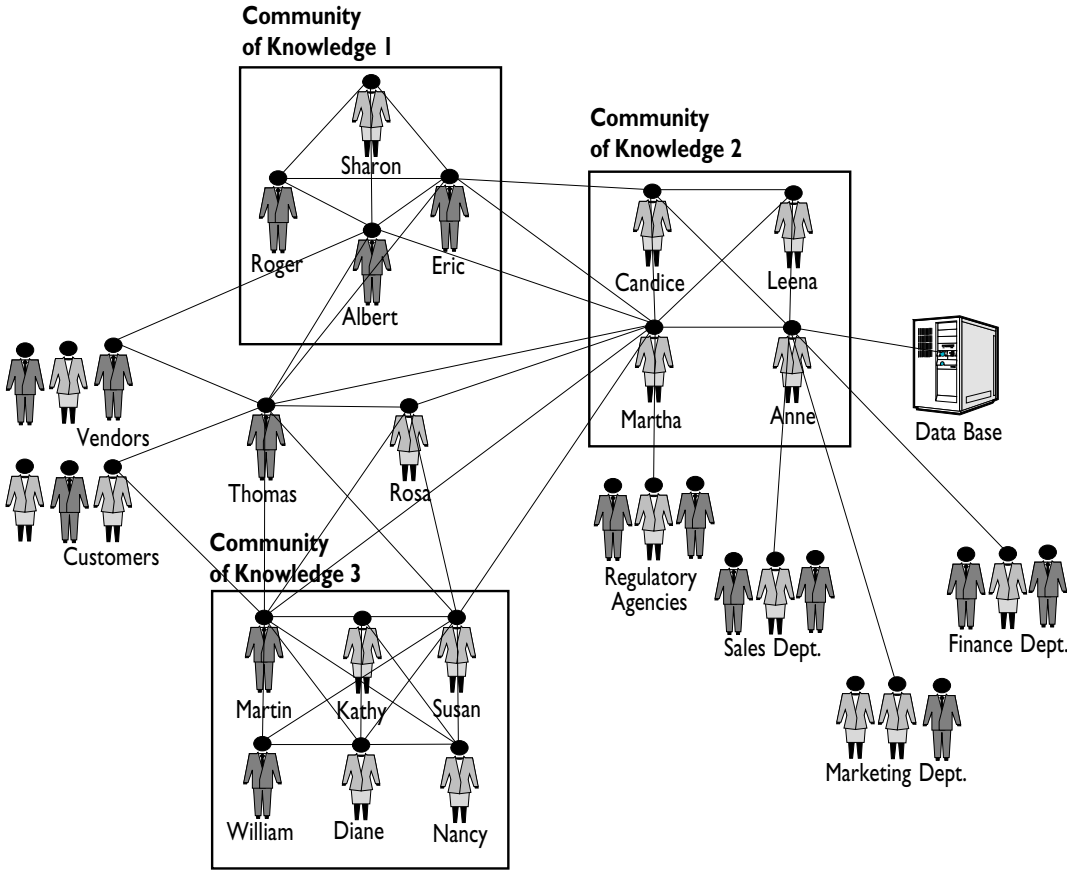
Network Map of Work Interactions Organized by Work Group



OF KNOWLEDGE

...analysis of the network map reveals the organization actually functions through three communities of knowledge

Network Map of Work Interactions Organized by Community of Knowledge



Source: Krebs & Associates.

TACTIC ASSESSMENT

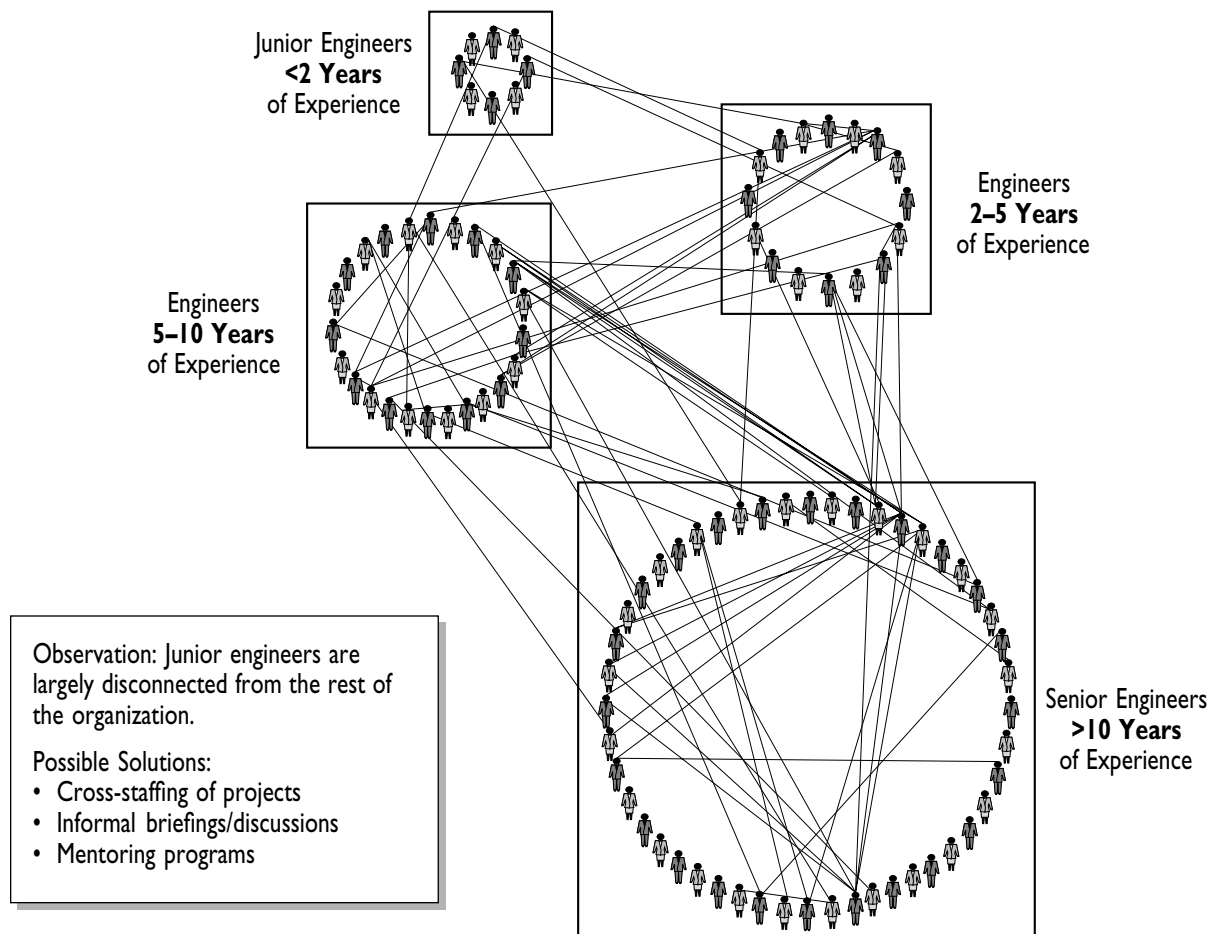
Conclusion #9

Network mapping is the only means of pinning down exactly how the organization currently functions; process absolutely mandatory for proactive management of “collaborative chain”—without it, managers are reduced to responding (belatedly) when “disconnects” cause a work effort to fail

NETWORK MAPPING EXPOSES

Lyra Corporation’s Junior Engineers Truly Isolated from Seniormost Engineers

Network Map Tracking Idea/Innovation Flow Among Engineers



Source: Lyra Corporation.

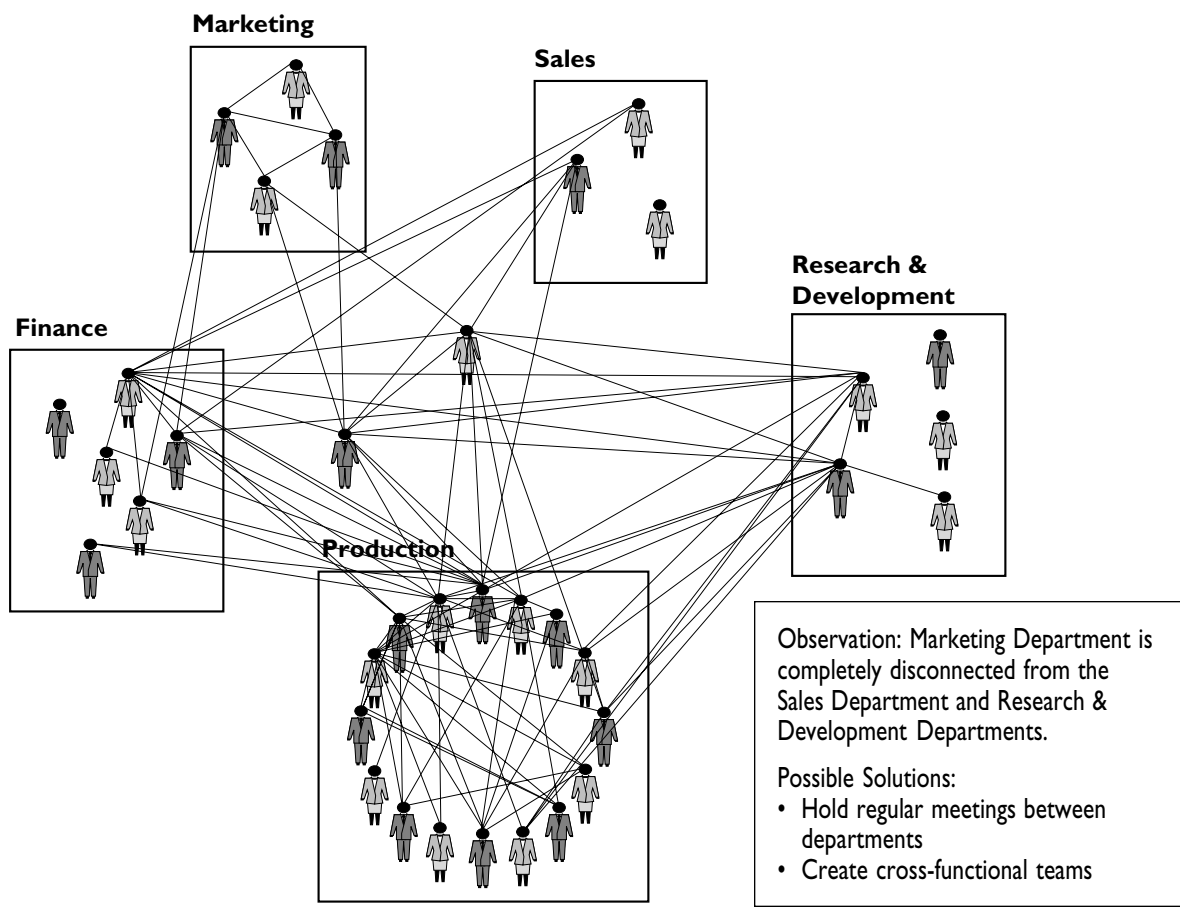
Conclusion #10

Two primary benefits of network mapping; First Benefit: Identification of communications breakdowns both between and within groups

ORGANIZATIONAL “FAILURES”

Organizational X-Ray Reveals Antares Corporation’s “Fatal Flaw”: Marketing Department “Out of Loop” on Sales and Research & Development Efforts

Network Map of Work Interactions



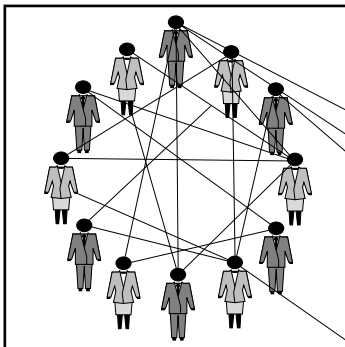
Source: Krebs & Associates.

Conclusion #11 Extreme Example of Communications Breakdown: Network mapping puts spotlight on social groups (sharing common gender, ethnicity, etc.) who are ostracized; map becomes invaluable aid in measuring progress of diversity efforts

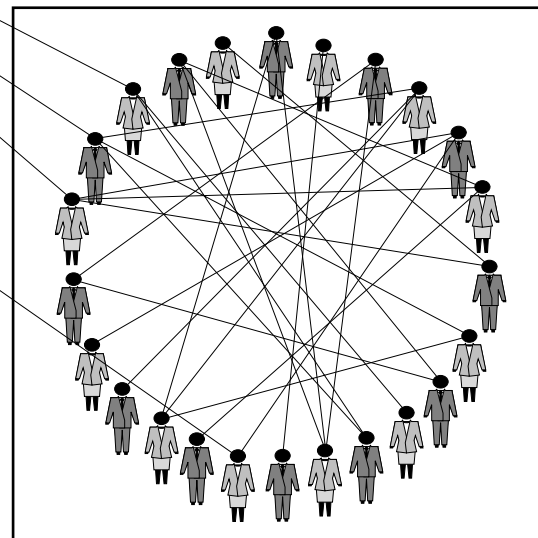
Network Map Captures “Diversity Management” Failure

Network Map of Social Grapevine

Minority Group



Majority Group



Observation: Few connections exist between people in the minority group and people in the majority group on everyday “social networking.” This is an important finding since social networks are often a proxy for promotions. As managers tend to hire those people with whom they are familiar in work (and social) settings, companies should work to integrate people in both work and social settings.

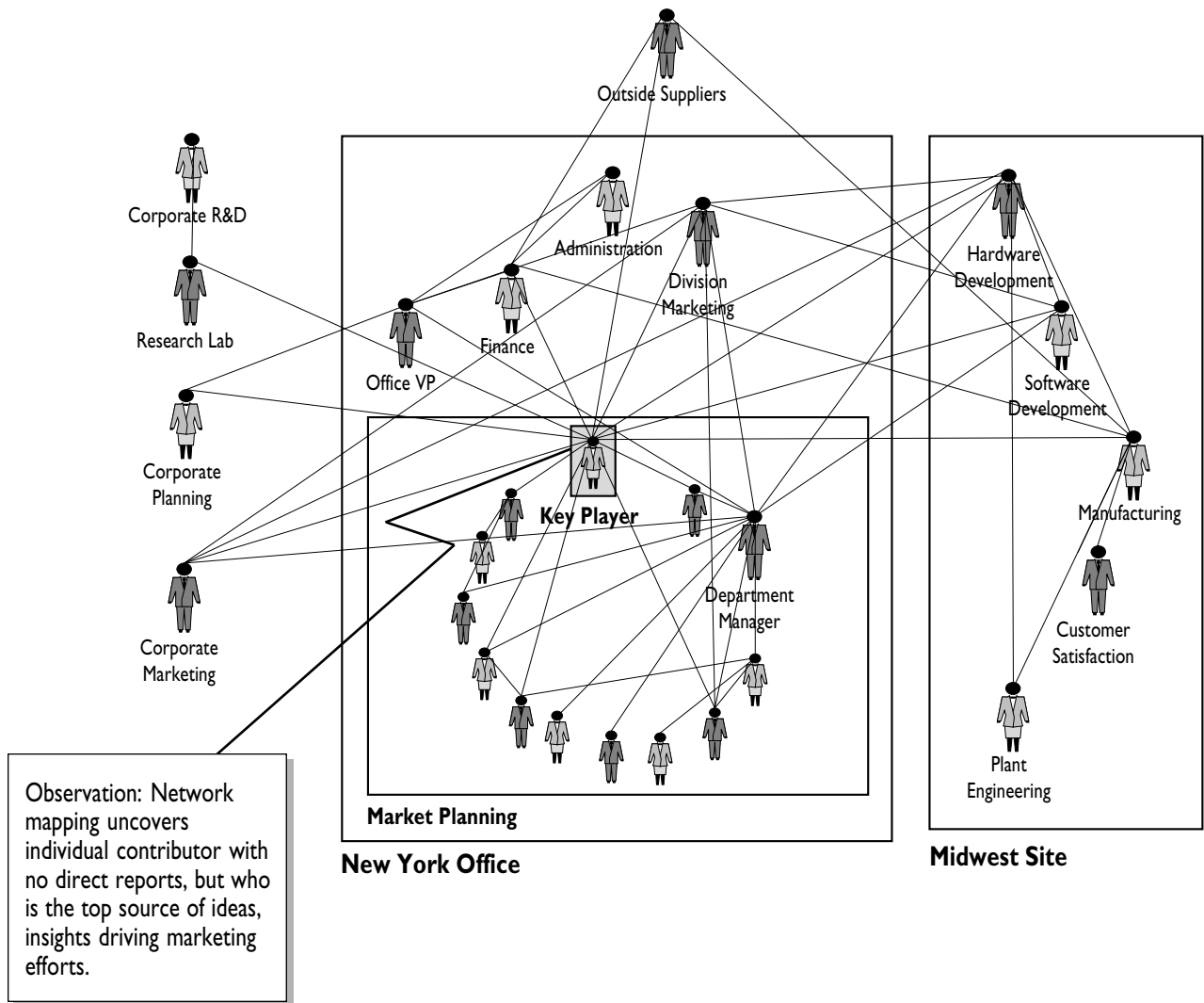
Source: Professor Karen Stephenson, UCLA.

Conclusion #12

Second Benefit: Identification of key intellectual assets; these groups and individuals can then become priorities for retention, efforts to “spread” their knowledge

Network Mapping Uncovers Key Player

Network Map of Work Interaction in Market Planning at Triangulum Corporation



Source: Krebs & Associates.

Conclusion #13 Good News: Tool can be used proactively in planning mergers and other re-engineering efforts; “prep work” averts missteps and smooths changeover

Conclusion #14 Caveat: “Snap judgments” based upon first assessment of the map often prove wrong; in-depth analysis is required first to determine whether “problems” revealed are real and then to develop effective “cures”

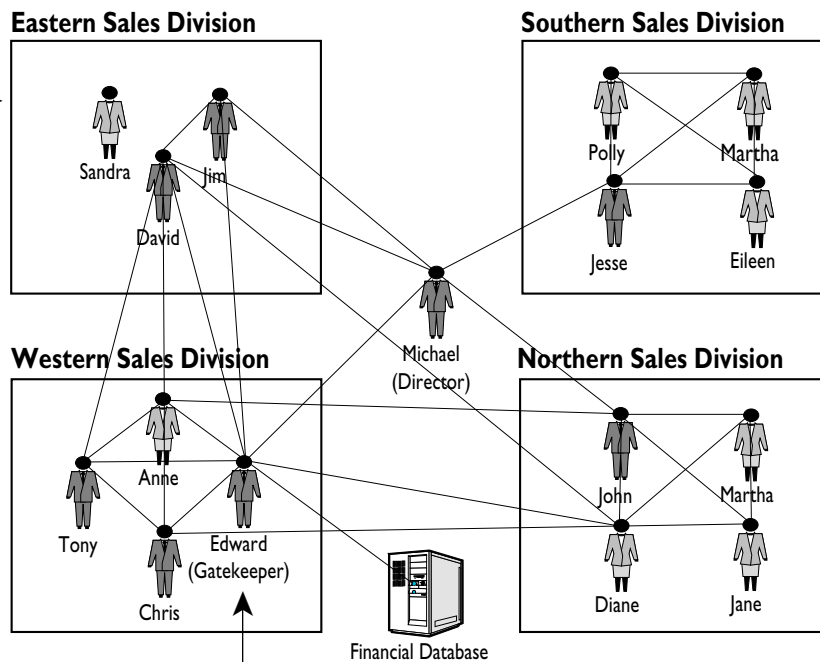
Careful Assessment Required for True Understanding of Network Maps

Example #1

Observation: Sandra is not connected to anyone in the work flow.
 Snap Reaction: Fire Sandra.
 Reality: Sandra is new to the Eastern Sales Division and will slowly be included into the work flow.

Example #2

Observation: Southern Sales Division is isolated and insular.
 Snap Reaction: Work to better integrate Southern Sales Division through intergroup meetings.
 Reality: Southern Sales Division is comprised of Latino-cultured countries that require a different sales approach than those countries in the Western, Northern and Eastern Sales Divisions.



Example #3

Observation: Edward is a “gatekeeper” for access to computer database.
 Snap Reaction: Open database to more people.
 Reality: Database contains sensitive corporate information and access must be restricted.

Source: Council hypothetical.

NOTE TO OUR MEMBERS

While a few highly qualified consultants provide organizational network mapping tools, Krebs & Associates has pioneered the application of metrics to organizational network mapping. Though not specifically endorsing Krebs & Associates's work, the Council nonetheless thanks the staff of Krebs & Associates for its extensive assistance in the preparation of this tactic and for helping the Council to understand networks and communities of knowledge. Members interested in additional information on the techniques described herein are invited to contact:

Valdis Krebs
President
orgnet.com
Cleveland, OH 44145
(440) 331-1222
valdis@orgnet.com

