



# Information Overload

Issue 46, June 2006

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## Welcome:

Welcome to the June edition of Information Overload, and the end of another financial year here in Australia – yes it's tax return time again!! The start of the new financial year will see some interesting changes to the makeup of the workforce. The Australian government has changed the way that it handles certain groups of people, so more people will be eligible to work, assuming there are any jobs for them to have that is, and assuming that employers are willing to look beyond the traditional full-time worker. But with the additional changes to the legislation surrounding the workforce "down under" – namely the Industrial Regulations, whereby jobs can be made redundant under "operational reasons" it does make me wonder how we are going to cope with the loss of skilled workers, and perhaps more importantly the loss of knowledge these people will take with them to their new roles and positions. Will we see more stringent Intellectual Property clauses being written into contracts? Will we see more instances of theft of Intellectual Property or "sacked" employees being courted by the opposition for the insider knowledge they carry with them when they walk out of the door for the last time? And will these people be more willing to divulge that information if they feel they have been unfairly treated?

We would like to thank you in advance for forwarding this edition on managing the human resources – knowledge management onto friends, colleagues and other interested readers. Please note that all back issues of this edition, as well as our registrant resources edition can be read and/or downloaded from our web site – <http://www.iea.com.au> should any of the topics be of interest and use. The June edition of the Registrant Resources edition looks at how to make yourself more valuable in today's job market.

We hope you enjoy reading.

Lorraine Bradshaw  
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## In this Issue we will be looking at:

- First things first – a quick thank you;
- Loyalty vs. What's in it for me;
- Managing the knowledge drain;
- A Thought to ponder.

## First things first – a quick thank you:

To all those of you who came to IEA's very first seminar – EDRMS: Local people, local knowledge, thank you for making the event the success it was. Thank you to all the speakers who shared their time and their expertise with us. I don't know about you, but I learned a

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huge amount over the three days. It was also wonderful to catch up with everyone and to hear about all the projects being undertaken in Western Australia. As we promised, the presentations and papers will be mailed to you this week. And we hope to see many of you at future events. Thank you and good luck with all your endeavours.

## **Loyalty vs. What's in it for me!**

It is estimated that up to 4 million baby boomers will retire over the next few years, marking the largest ever loss of knowledge and skills in the Australian Labour market we have ever seen, or are likely to see in the future (large scale disasters notwithstanding of course). James Bowmer, Kelly Services general manager says "this will spark a knowledge crisis as baby boomers exit the workforce with decades of corporate knowledge and experience." *Employers need to face up to baby boomer crisis; Human Resources, 13 June 2006 p4.*

But what price experience? Over the years, we have seen many instances whereby large-scale redundancies have cut swathes through organisations – usually in the name of so-called better productivity, or outsourcing of goods and services to other companies and countries. But with the new laws being introduced into the workforce whereby that it is not just small businesses (businesses with less than 100 employees) that are allowed to "let people go". "The ACTU said companies with more than 100 staff are also being advised that they can now also sack staff unfairly as long as they claim the sacking is for "operational reasons." *Donaldson, Craig; Caution on unfair dismissals; Human Resources, 4 April 2006 p4.*

Granted some of the tree felling associated with these new changes would be to rid an organisation of its dead wood, leaving room for the growth of the ones that remain. But what happens when those people who are left do not have the same kind of loyalty to the company as those the organisation has just "laid off?" Or feel that if they do not "perform" they will be next, so decide to jump rather than wait to be pushed.

And therein lies part of the problem facing the employers today. Whilst the new legislation means that it is easier to let people go, the question has to be – how on earth do we hang on to those people who we need in order to move our organisation forward. Do employers have loyalty to those people it employs, or do they also work along the same principles of "What's in it for me?" Failure to become an employer of choice may mean the difference between retaining key staff or not. And it's not just about money.

It has been noted

Generation Y (the age range debate is still ongoing – but they can be said to be the children of the Generation X'ers born between 1979 and 1994) saw what happened to their parents and the loyalty they gave to their organisations. They also saw what happened when those redundancies were occurring and length of service meant little or nothing to an employer. Generation Y will vote with their feet, and will aim to move on very quickly if they deem that their needs are not being met. That includes, being paid according to the job they are being asked to do, rather than waiting to climb the ladder through incremental rises. They expect flexible working arrangements; some expect to be able to Work From Home (WFH). They expect to be able to communicate with their base of operations using a wide variety of technological means, and most will not hesitate to move onwards to new areas and projects in order to keep skills up to date.

But what of those people who are not in skilled positions? According to Sebastian De Brennan a lecturer at the University of Sydney's College of Business most of the debate

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surrounds the "older generation losing take home pay, benefits and conditions, when a considerable number of the younger generation working in casual employment who have never had the luxury of these entitlements in the first place." *Human Resources 30 May 2006 p8*. In 2005 the NSW Commission for Children and Young People surveyed some 11,000 children aged between 12 and 16. Some 56% had worked for some period in the preceding 12 months, of which 50% were casuals and 29% earned less than \$4 per hour, with a further 22% earning between \$6 and \$8 per hour (op cit). It makes me wonder what country we actually live in!!

## Managing the knowledge drain:

So what happens when you've laid off those workers with the most experience, in the hope that the new generation of worker will fill their shoes, only to find the knowledge walking out of the door? According to Ken Anderson, CEO of Lee Hecht Harrison "graduates are likely to change employers six to eight times over a typical work life" (*Human Resources, May 2003 p10*). Which can be a considerable financial burden to an employer.

For instance, it is estimated that almost 40% of managers fail within the first 18 months of being taken on. Companies employing managers on an annual salary of \$120,000 can expect to incur an average cost of \$780,000 to cover the failed management transitions. Costs include recruiting and preparation, compensating the manager and maintaining them in the job, severance pay, mistakes, failures, missed opportunities and business disruption. It is also estimated that it takes approximately 6.2 months before a manager in a new role adds value to a company, as they are spending all their time and resources to learn their new role, rather than doing the job they were hired to do. *Failed Managers Hurt Business. Human Resources Issue 68, 2 November 2004 p11*

Add to that cost, the cost of training and the cost to the organisation as workers vote with their feet and it makes me wonder how on earth some businesses manage to keep their doors open, and make a profit.

Is it perhaps any wonder that some organisations will be trying desperately to keep track of the intellectual property it has generated. For instance, poor training at an induction level may mean the difference between an organisation capturing their employees' records or not. As we have discussed in many different newsletters since Information Overload was first introduced, records can make or break an organisation, depending on whether you can find them or not Morgan Stanley – fined for not being able to produce emails; Enron, Andersen, Worldcom, HIH, ANSETT, British Alcohol and Tobacco and many other corporate collapses, failures, and stumblings, that have caused numerous pieces of legislation to be introduced across the world in a vain attempt to prevent re-occurrence of similar situations.

But still we hear of organisations failing at even the basic level to capture business related records. There are individuals who still believe that emails and documents they have created belong to them, and will routinely delete them to make space. Or the information is captured into individual silos of information rather than being filed into the corporate areas on the servers for backup, knowledge sharing and formal retention and disposal.

Do organisations know what data is being captured? Do organisations know what information is being created as a result? And do they know what knowledge is going out of the door when an individual decides enough is enough.

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At what point does information become knowledge? Commonly accepted definitions are as follows:

**Data** is the building blocks of information. This is what you collect as you go about your day-to-day business. If you imagine that you are a computer and you are in the process of collecting bits and bytes without any thought or processing attached to it.

**Information** on the other hand is data that is being used in context and can be used in decision-making processes.

**Knowledge** is the body of understanding and skills that is constructed by people – they fix pieces of information together over a period of time, bringing skills and knowledge from previous bodies of work, much like putting pieces into a jigsaw puzzle. Little bits of information added together creates the knowledge that is extremely hard to capture using traditional methods. It is said that knowledge can only grow when it is shared – usually with other people, which is why mentoring programmes can be vital part of an organisations success.

There are many ways of looking at what knowledge is. The two most common ways are:

- Tacit – this refers to knowledge that resides in a person's mind and can include culture and 'ways of doing things'
- Explicit – this is often referred to as knowledge that has been recorded onto a variety of formats including electronic and paper, and can include items such as procedures and other documents, images, film and video clips.

Whilst a person's tacit knowledge - the 'ways of doing things' can be captured as 'procedures' it does not and cannot capture the information and knowledge a person holds in their mind, if that person does not want to share it, or the organisation does not ensure that the information and knowledge is passed on. For example, ensuring that a debrief occurs after a major event or project to capture the lessons learned. What happens if the person who has always run the events or projects decides to leave or worse still dies on the job? How will your organisation manage the next project? Does your organisation have a culture of openness and sharing of information? Or do you still have people working for you who prefer to have their own silos of information – after all knowledge is power !!

We hope you have a great week.

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### **A Thought to Ponder:**

"For young workers it's not about being in the office 12 hours a day just to fit the corporate culture and climb the corporate ladder. It's about working productively and flexibly to achieve KPI's and required outcomes"

**Australian Computer Society**

[http://www.acs.org.au/acs\\_policies/docs/2006/UncollaredworkforceMay.pdf](http://www.acs.org.au/acs_policies/docs/2006/UncollaredworkforceMay.pdf)

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