

13.PETRONAS

Engaging Knowledge Worker Communities to Stimulate Innovation and Build Corporate Capability

Murni Shariff, Head, KM Change Management, Knowledge Management, PETRONAS Group Technology Solutions

The Background and Purpose of the KM Effort in the Case:

There is a vast amount of knowledge which resides within PETRONAS. A significant portion of this knowledge, be it standard operating procedures, lessons learned, best practices or even the names of individuals who are experts in various fields, are not captured, codified and shared.

- *Prior to the KM approach, how did the issue impact the business?*

Most of the knowledge resides in silos with individuals throughout the Group, and when people move, the knowledge moves with them. Further, the individuals who possess these valuable knowledge are not sufficiently known and broadcasted beyond their OPU and therefore PETRONAS cannot effectively leverage on their expertise to assist other OPU's across the Group in addressing issues to drive performance.

- *Prior to the KM approach, what technologies/applications did you primarily use?*

Internal OPU Lotus databases. Or engineers would simply call 'someone-who-knows' to find the answers to the problem they were seeking. Taskforces were formed within OPUs to address certain problems, but there were few groupwide collaborative efforts – leading to much reinventing of the wheel and duplication of effort

- *What size of group/division was impacted by the KM effort? (i.e. The CoP initiative)*

Currently we have 50 CoPs at approximately 30 persons per CoP = 1500

- *Why did you decide to use KM/CoP to address this issue/objective?*

Culture – staff are more comfortable seeking advice or discussing issues face-to-face. On the other side of the coin, staffs are also willing to *provide* help to others when they have established a 'real' relationship with them in this manner.

Rigidity vs. Flexibility – CoPs provided an ideal balance of rigidity (i.e. structured setup & maintenance guidelines/ tools from the center) and flexibility (i.e. leader and champion decide what initiatives and priorities to pursue)

What We Did

The managers panels decided on the key areas of focus towards achieving Superior Performing Assets – the 3rd pillar in the PETRONAS Corporate Agenda. A CoP was created for each of these focus areas. Leaders and champions were selected from across the group based on certain criteria (e.g. leadership, passion, interest in the topic in question, degree of influence).

As the custodians of the CoPs, GTS provided the CoPs with a structured 'base' from which to facilitate the setting up, running and sustainability of the platforms. This consisted of:

1. Deployment of a Microsoft Sharepoint solution to form the online collaborative 'space'
2. Dissemination of guidelines on how to operate CoPs

3. Using pilot CoPs to test new initiatives/ tools – highlighting them as success stories to get others excited
4. Continuous engagement with CoPs
5. Tracking & monitoring – tracks a series of simple indicators (with options to submit success stories) to maintain a birds eye view of the health of CoPs
6. Online CoP Newsletter
7. Dedicated CoP site on CoP related news, events, templates.

Latest program:

Rewards & recognition programme – CoP Leaders will submit a writeup outlining the value created by CoP activities. A panel of judges selects the winner. A monetary award is planned.

We are even thinking of other possible ways to recognize contribution of the CoP members, i.e. publishing their photos, profiles in the CoP site etc.

Lessons Learned

Hurdles	How we overcame them	Lesson learnt
Varying commitment levels of leaders and champions	Still ongoing but, we've tried: <ul style="list-style-type: none"> - Rewards programme - Better reporting 	Selection criteria that is more oriented towards the leader's interest/ passion, rather than his position
Participation in CoP is considered over and above the 'call of duty'	<ul style="list-style-type: none"> - Garnered support from OPU MC - Participation in CoPs considered a 'brownie point' in performance appraisals - A good way to gain visibility 	Move from appointment (core members) towards free membership (subscription online) Align goals & objectives of CoPs to solve business problems.
Value of CoPs is difficult to calculate	<ul style="list-style-type: none"> - Direct and regular reporting to company leaders - Development of a systematic model to measure performance is in progress (currently doing only activity based metrics) 	Test metrics with a small group of pilot CoPs prior to groupwide rollout (particularly for impact based metrics)

Impact and Benefits

Communities of Practice help in faster and more efficient collaboration in PETRONAS. People from various Operational Units (OPUs) share their lessons learnt and good practices with others and help to apply those practices in their day to day business operations. By doing such, business can save time, effort and money by not re-inventing the wheel and avoid mistakes. This eventually increases performance and productivity. CoPs also provide the platform for coaching and mentoring of junior staff by the seniors which would accelerate the learning capabilities of young engineers.

Online collaboration through the CoP portal helps storing relevant contents and discussion threads for future reference and also reduces the cost of meeting face to face for every collaboration effort.

- *How did you evaluate or monitor the benefits?*

- *Could these benefits have come from other causes? How do you know that KM made a contribution?*

Activity measures – built a tool to calculate simple measures indicating the performance of the online system (e.g. number of hits, downloads, penetration rate, discussion forums). And a monthly survey for CoPs (e.g. number of members, meetings, best practices created and implemented)

Impact measures – assisting pilot CoPs to craft surveys associated with their main knowledge assets, to determine the value they have created.

- *What do you think would have happened if you had not had KM?*

No avenue for best practice sharing, duplication of effort, no transfer of best practices, no realizing of synergies across the group.

Resulting in the exacerbated impact of the aging workforce (high percentage of technical staff retiring) as well as staff being poached by the Middle East. When people leave, the knowledge leaves with them.

- *What do you think were the main reasons for your success?*
- Leadership continues to support KM recognizing that it is a long term investment that may be realized over a long period of time.
- Defined roles and responsibilities
- Passionate members who are willing to contribute and share
- Ready to use online CoP portal
- Continuous support from the central KM team under GTS

Insights and lessons learned from case study discussions

1. COP focus on lessons, best practices and distilled and propagated to organization
2. Interesting input and KM initiatives will appreciate more stories on rewards and recognition
3. The importance of top down support and alignment to corporate agenda for CoP success.
4. Good structure and organization of CoPs
5. Good system for ensuring attendance to regular CoPs meetings
6. CoP need reward system (KPI) to encourage participation
7. Quarterly report of CoP to senior management
8. Business needs for KM initiatives must be clearly articulated
9. Clear allocation of time and resources is essential for KM to progress, ie management commitment
10. KPI for each staff to join CoP
11. CoPs need visibility by management (sustainability) and by others (membership)