

## Knowledge Retention at NS&I

Trevor Bayley is the Financial Director of the UK's National Savings & Investment Bank. When faced with a request for retirement from a long-serving and key member of staff, the Bank realised that it needed to act consciously and deliberately to capture the knowledge that it was just about to lose.



Trevor argues that despite his fears, the experience of going into such a situation was not as bad as initially thought it would be and that a lot supporting actions just seem to make good management sense, something that we often forget about.

As part of DNV's research into organisational strategies for knowledge retention, we became aware of this interesting case and interviewed Trevor on his views.

### *The organisation*

In 1861 the Palmerston Government set up the 'Post Office Savings Bank' - a simple savings scheme aiming to encourage ordinary wage earners 'to provide for themselves against adversity and ill health'. The scheme quickly became very popular, and the deposits found their way from the Post Office to the Exchequer, providing a fund from which the then Chancellor, Gladstone, could borrow for putting towards public spending. This set two principles which have remained in place ever since:

1. To provide a totally secure place for people to save, backed by the Government
2. To provide the Exchequer with a source of funding (i.e. public borrowing)

### **Expansion**



Significant expansion over the next century included the introduction of Savings Certificates during the First World War to help finance the war effort, while Premium Bonds were officially launched on 1 November 1956. In 1969 the Post Office Savings Bank became a separate government department accountable to Treasury Ministers, and was renamed National Savings. The Post Office still have a role, but as a distribution outlet for National Savings and Investments products.

### *Problem*

Trevor explains: 'John had been with the Treasury before joining the Bank in 1971. Since then he has built up an impressive knowledge base of relevant statutes, key processes and protocols for submissions to Ministers. His career had been built on the accumulation of important knowledge. However, he was not prone to communicate that knowledge proactively. When asked he would always share his know-how. Although without any malicious intentions, he revelled in the mystique about what he did and what he knew and tried to maintain his reputation as an organisational guru. 'Ask John!' became a habit and

a phrase that reinforced the situation.

Coupled with pressures for greater compliance to financial services regulations and his recognition that he was beginning to have an increasing gap in his knowledge-base, a lengthy commute on London Underground and an acknowledgement that he was in his 50's and had served enough time to be eligible for retirement, John decided that he wanted to retire after a lifetime of service to his Country'.

### *Solutions*

Trevor continues: 'John was a principled civil servant and had no wish to see the organisation suffer through an immediate departure. He agreed to work for a further 9 months and in return the Bank agreed to a reduced working week. During this period a number of different but inter-related actions helped to address the problem as it was then perceived.

John's tasks and responsibilities were shared out to other colleagues and thereby reducing the pressures of losing such a significant volume of knowledge in the future. John was asked to be directly involved in the recruitment process for his successor and worked alongside her for at least 3 months prior to his retirement. During that period she was able to shadow him, document how he finds information and how he fulfils his responsibilities. John's unique knowledge base was captured through this process of 'guided experience' (see Dorothy Leonard & Walter Swap, (2004) *Deep Smarts*, Harvard Business Review, September, 1-10).

In addition, the Freedom of Information Act and a recognition that compliance issues required an improved way of recording and storing documents and other items of information, the Bank introduced a document management system and new processes that supported improved record-keeping and the documentation of know-how, work in progress, etc.'

### *Lessons learned*

The Bank has learned several lessons from its experience:

- You need to be very careful about the selection of people and ensure that they demonstrate an understanding for records keeping.
- Make sure that no person is no longer in a position to accumulate such an amount of important organisational knowledge.
- Move people around teams and expose them to different tasks, responsibilities and knowledge areas. This will ensure that the organisation increases its resilience in the future.
- The relatively small size of the bank's core staff was both the root of the problem – it was easy to know who to ask – and the source of its solutions – it was easy to communicate the needs for task re-distribution and people already know each other.

- The experience of going into such a situation was not as bad as initially thought it would be.

**More information**

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