

The Impact of Knowledge Sharing and Collaboration at the Federal Reserve Bank of Cleveland

Phillip J. Britt

At APQC's May 2009 knowledge management (KM) conference, Janine M. Valvoda, assistant vice president and chief culture officer for the Federal Reserve Bank of Cleveland, discussed the use of KM and organizational learning to foster innovation, collaboration, and enhanced business results.

A NEW EMPHASIS ON KNOWLEDGE SHARING

The Federal Reserve Bank of Cleveland is one of the nation's 12 Federal Reserve Banks, which collectively handle monetary policy, bank supervision and regulation, and financial services such as savings bond distribution and check clearing. Valvoda describes the Bank as conservative and risk-averse, with a focus on strong planning and analysis coupled with deliberative decision-making processes.

Despite this conservative culture, the Bank has recently shifted from a predominately internal focus to a more externally oriented attitude, with an increased emphasis on thought leadership, policy, and influence. According to Valvoda, the Bank is recognizing the importance of its intellectual capital and leveraging it by sharing it throughout the organization. In the midst of this cultural transformation, the bank has endeavored to connect knowledge management and related initiatives to corporate and business objectives in order to ensure alignment and accountability.

According to Valvoda, the primary focus of the Bank's corporate culture for 2009 is on knowledge and information sharing. Whereas some employees have knowledge and information that is important to share, other employees need knowledge and information to perform their jobs, and collaboration is a great way to facilitate these exchanges. Knowledge-sharing approaches—including collaborative technology and techniques for capturing lessons learned and best practices—are used cross-functionally within the organization as well as to connect with external organizations and agencies.

TOOLS FOR COLLABORATION AND LEARNING

The Bank—which employs 1,400 people in three cities—leverages various tools to promote learning across the enterprise, including blogs, wikis, the Bank's intranet, and open access to content and LinkedIn. The wikis include details on best practices/techniques in collaboration and knowledge transfer as well as lists of the best sources for different topical areas within knowledge management.

The intranet includes a virtual conference room, library, "student union," coffee house, and tech lab. Each "location" is fairly self-explanatory: The conference room is for meetings, the library for literature, and so forth.

Through the intranet, the Bank offers several programs designed to promote knowledge sharing, including:

- **Ask the Experts**—Disseminates new content from Bank economists and other thought leaders approximately two times per month.
- **Strategy Hot Spot**—Experts provide information on strategies that are working, those that aren't, and upcoming issues.
- **Beyond the Silos**—Improves cross-functional collaboration so that knowledge flows freely among locations and departments.
- **Improving Me**—Includes tools for business skills improvement (this program supplements, but does not replace, traditional training and development at the Bank).
- **Drop-In Collaboration**—Offers informal opportunities for collaboration, knowledge sharing, and problem solving.

The Ask the Experts program has been particularly helpful in providing information to bank employees during the current economic downturn, Valvoda notes. "Cleveland has an economy that was hit pretty hard. We never saw the boom, but we saw the bust. We have a number of great thought leaders. We bring in our own internal experts to explain the [economic] issues in layman's terms so that anybody can understand the issues."

In addition to the online resources, the Bank has established a physical "collaboration café" featuring comfortable seating arranged in a way to promote discussions and a large, high-definition television screen displaying news from Bloomberg, CNBC, C-Span, and other sources. The Bank also promotes important live presentations by economic leaders and encourages employees to come to the collaboration café for such events.

"You can have all the technology in the world, but people learn information when they share it," Valvoda explains. "You cannot substitute for that face-to-face collaboration. If that weren't true, you wouldn't be here [at this conference] and you would just buy the CD. You get something out of that physical connection."

BENEFITS GAINED

At the Federal Reserve Bank of Cleveland, "our focus is business results," Valvoda explains. Although the Bank emphasizes collaborative teams, each employee is responsible for delivering results that advance strategic objectives. As Valvoda points out, leading-edge innovation and creativity generate new ideas and opportunities. An adaptive and flexible environment fosters open exchanges among all levels.

The Bank uses a corporate scorecard that focuses on strategy and high-priority factors, including people and culture, accountability, alignment, learning, communications, process, content, and technology. All Bank managers are responsible for contributing toward these high-priority factors. In addition, Valvoda uses the collaboration café and other Bank tools to try to foster better knowledge management throughout the enterprise.

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Managers and employees are encouraged to define their own individual goals, although these goals must be aligned with the Bank's objectives.

The Bank has seen many benefits from its knowledge management efforts, including an improvement in employee morale; a significant increase in collaboration; an upsurge in fresh, new ideas coming from employees; and greater diversity of informed opinions on policy issues.

LESSONS LEARNED

Valvoda cites the following lessons learned from the Bank's efforts to increase collaboration and knowledge sharing.

- An organization must make a definitive decision to change from the old way of doing things.
- Initiatives should be chosen wisely. Valvoda recommends looking for quick wins and seeking tangible outcomes. Organizations should target their initiatives on high-impact and high-importance areas.
- Any knowledge-sharing effort must be aligned with corporate goals. Instead of creating a stand-alone policy, organizations should integrate knowledge management into overall business objectives.