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Theme:  
**Doing More with Less: A Roadmap to Capital Efficiency**

## **Exploiting Trust:**

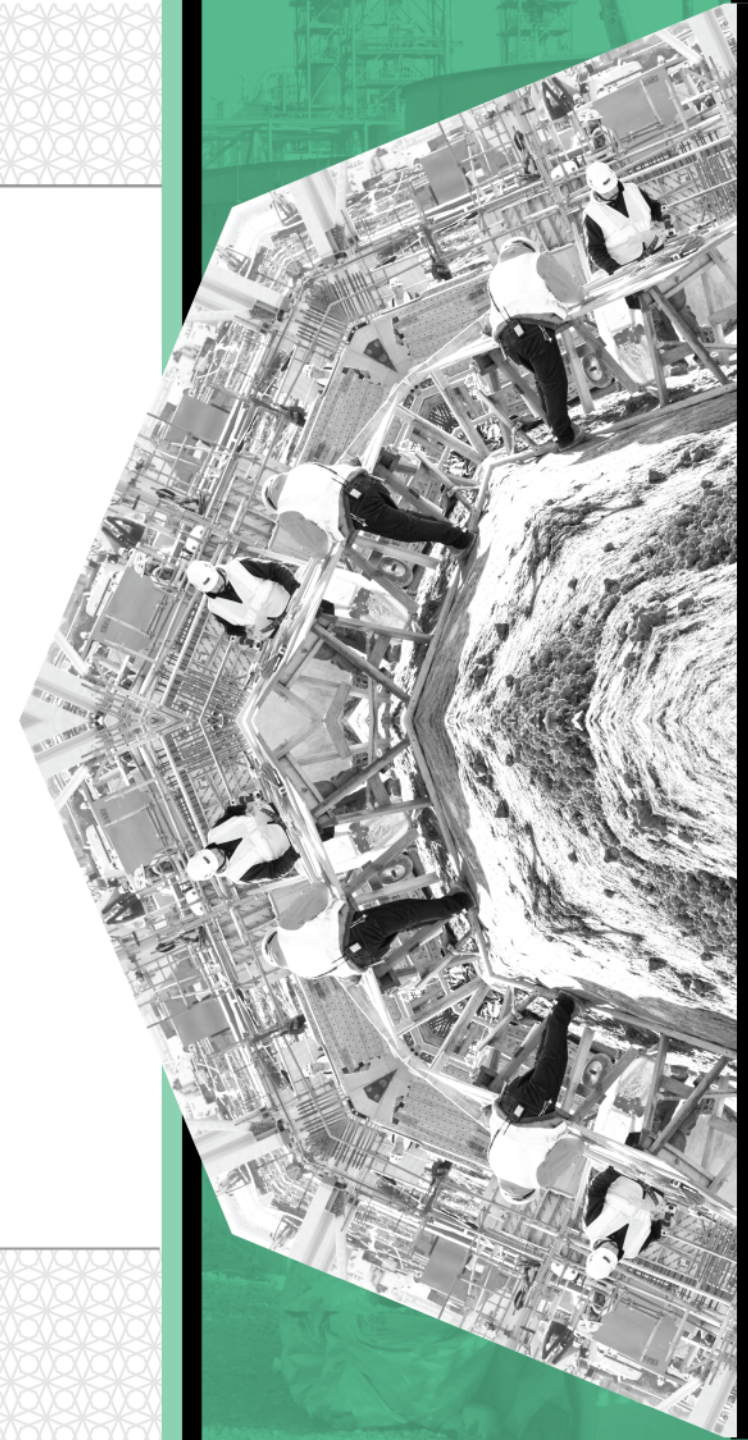
The Critical Factor in Knowledge Transfer During Succession Planning



Year:  
**2017**

Date:  
**Sept. 6-9**

Location:  
**Boca Raton, FL**







## EXPLOITING TRUST:

*Trust is a complex, fragile thing—  
easier to destroy than to build and maintain.*

Exploiting Trust: The Critical Factor in Knowledge Transfer During Succession Planning





# Knowledge Transfer in Succession Planning

Exploiting Trust: The Critical Factor in Knowledge Transfer During Succession Planning

# Pulse of Engineering: Where are the new Engineers?

- The **engineering workforce is aging**, and companies aren't replacing retirees in proportion to the number of employees lost. When queried about their number of years of professional experience, **47% of this year's sample is in the 30+ years range, up from 40% last year**
- Respondents are representative geographically, demographically, and in the distribution between different company sizes... *here's what they said:*

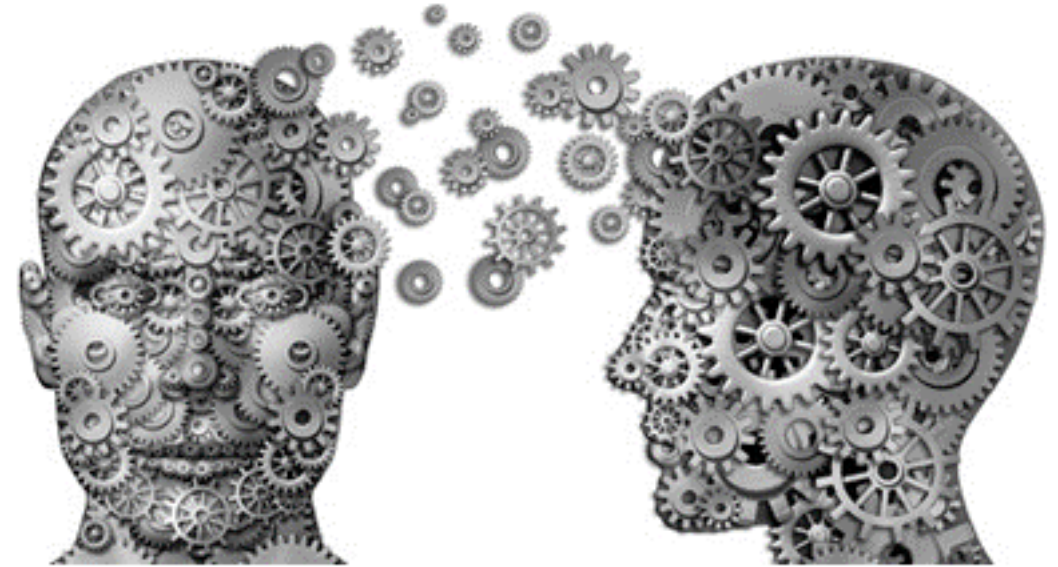


Ordman, N. 2017. *Pulse of Engineering: Where Are the New Engineers?* Engineering 360° IEEE GlobalSpec. [Online] 1-3. Retrieved from: <http://insights.globalspec.com/article/4185/pulse-of-engineering-where-are-the-new-engineers> [accessed 2 April 2017].



# Loss of Engineering Knowledge and Practical Experience

- Respondents were **not satisfied** with their employer's **Knowledge Management programs**; on a scale of 1 to 10, the average was 5.6.
- **Less than half** of the companies represented **have methods to share knowledge**, whether by mentoring, training, or other tools for knowledge capture.
- When asked **how engineers keep up** with knowledge in their fields, respondents cited **colleague/peer-to-peer interaction**.
- A year-to-year **twenty-point increase** in this response, from 24% in 2015 to 44% in 2016, does beg the question...



*Why this has changed so much?*

*As experienced engineers leave the work force, who will take on this mentoring/knowledge sharing role?"*

*Ordman, N. 2017. Pulse of Engineering: Where Are the New Engineers? Engineering 360° IEEE GlobalSpec. [Online] 1-3. Retrieved from: <http://insights.globalspec.com/article/4185/pulse-of-engineering-where-are-the-new-engineers> [accessed 2 April 2017].*

# Loss of Engineering Knowledge and Practical Experience

- “No matter how much technology we have, how many PowerPoint slides we have, how many knowledge management systems we have, the fact of the matter is that **people learn from experience.**”
- Simulation probably helps, but trying to transfer knowledge and codify fashion and expect people to actually use sophisticated behaviors is futile. **That’s what drives the need for coaches...**”

- Dorothy Leonard: Harvard Business Review



*Silverthorne, S. 2002. Mentoring – Using the Voice of Experience. Harvard Business School: Working Knowledge. [Online] Retrieved from: <http://hbswk.hbs.edu/item/mentoringusing-the-voice-of-experience> [accessed 8 April 2017].*





# Millennials and Trust

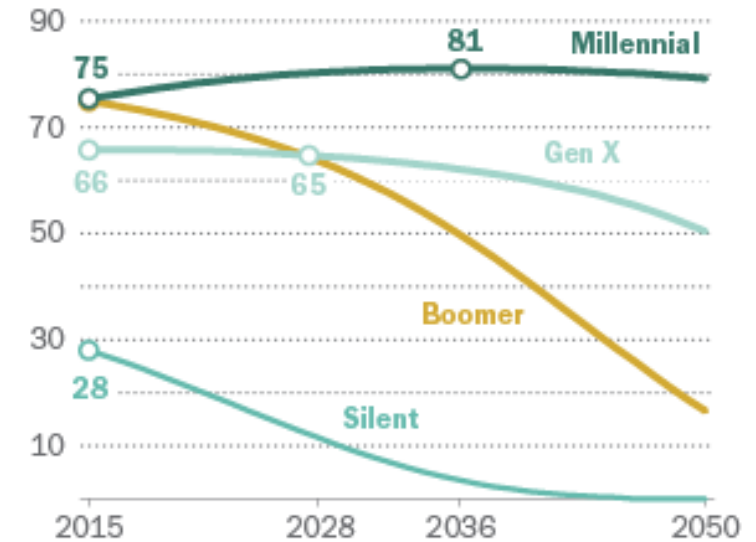
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# More Millennials...

Today there are more Millennials in the Workforce than Baby Boomers...

## Projected population by generation

*In millions*



Note: Millennials refers to the population ages 18 to 34 as of 2015.

Source: Pew Research Center tabulations of U.S. Census Bureau population projections released December 2014 and 2015 population estimates

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# From the Mouths of Millennials

## Millennials Are:

- Multitaskers
- Connected
- Tech-Savvy

## Millennials Want:

- Instant Gratification & Recognition
- Work-Life Balance & Flexibility
- Collaboration
- Transparency
- Career Advancement



*Abbot, L. 2013. 8 Millennials' Traits You Should Know Before You Hire Them. LinkedIn Talent Blog. [Online]. Retrieved from: <https://business.linkedin.com/talent-solutions/blog/2013/12/8-millennials-traits-you-should-know-about-before-you-hire-them>.*

# From the Mouths of Millennials

“Every generation presents its own challenges and, clearly, Millennials are no different. But, we’re really not so bad!

And just think: a whole new batch of Millennials will be graduating and entering the workforce in spring 2014.

The more you know about them now, the better off your company will be.”



*Abbot, L. 2013. 8 Millennials' Traits You Should Know Before You Hire Them. LinkedIn Talent Blog. [Online]. Retrieved from: <https://business.linkedin.com/talent-solutions/blog/2013/12/8-millennials-traits-you-should-know-about-before-you-hire-them>.*



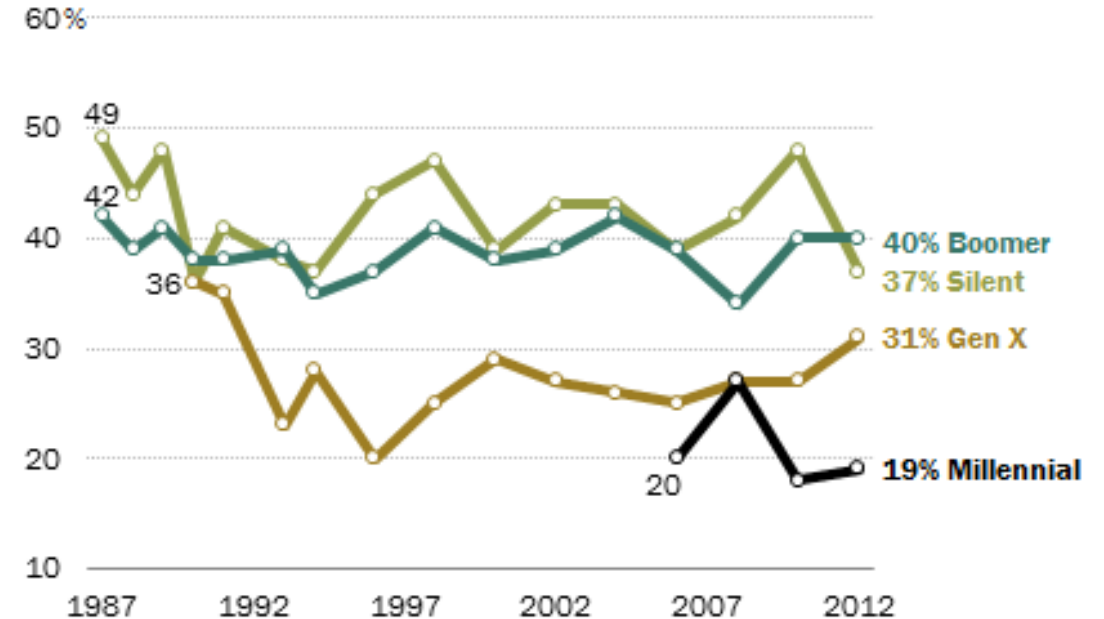
# Millennials and Trust

“The oldest Millennials began graduating from high school in 2000, from college in 2004, and with masters’ degrees in 2006...

...The Great Recession has thus totally dominated their view of the economy in general and their career aspirations in particular.”

## Millennials Less Trusting of Others

*% saying that, generally speaking, most people can be trusted*



Question wording: “Generally speaking, would you say that most people can be trusted or that you can’t be too careful in dealing with people?”

Source: General Social Survey data, 1987-2012

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# Millennials and Trust

None-the-less, Millennials are sticking with their jobs...

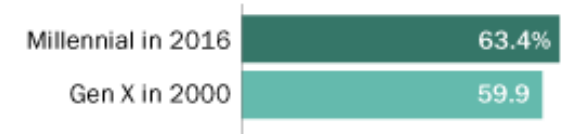
- “Millennials were **risk-averse** before – and now even more so.”
- “Contrary to stereotype, most Millennials try to avoid economic risks as well.”
- They **crave trust** in their workplace...

*Are they happy, will they stay, will they listen and learn, and are they capable of leading in the future?*

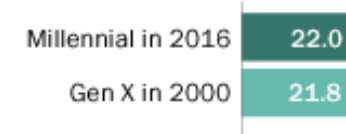
## Millennials' job tenure no shorter than that of prior generation

*% of 18- to 35-year-old workers by length of employment with current employer*

### 13 months or more



### 5 years or more



Note: Workers refers to wage and salary workers. The self-employed are not included. Workers who have worked for their current employer for more than one year are considered to have worked 13 months or more. Workers who have worked for their current employer for more than four years are considered to have worked five years or more. Gen X in 2000 includes workers born between 1965 and 1982 and includes some older Millennials born after 1980. Source: Pew Research Center analysis of Current Population Survey Displaced Worker Supplements.

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# The Solution: Exploit Trust

Exploiting Trust: The Critical Factor in Knowledge Transfer During Succession Planning

# Build Trust to Improve Knowledge Transfer and Loyalty

## What is Trust? Are there synonyms?

“Employees in high-trust organizations are substantially more **productive**, have **more energy** at work, and **stay** with their employers longer.

They **collaborate** more effectively with coworkers, **suffer less** chronic stress, and are **happier** than employees working at low-trust companies.

They also earn **higher salaries** because they **generate so much more profit** than those at low-trust organizations.”



“Trust is essentially a **mental model** that one individual holds about another which is used to **assess future risks**.”

*Zak, P. 2017. Trust Factor. New York. AMACOM.*

*Blois, K. (1998) 'A trust interpretation of business to business relationships: a case-based discussion', Management Decision, Vol. 36, No. 5, pp.302–308.*



# Build Trust to Improve Knowledge Transfer and Loyalty

## Trust has three components:

- Strategic: Employees trust those in charge to **set the right course**.
- Personal: People **trust the team** and put the company's needs ahead of their own.
- Organizational: Employees **view the company's processes as fair and consistent**.

## Challenges to trust:

- Inconsistent Messages
- Inconsistent Standards
- Misplaced Benevolence
- Elephants in the Parlor
- Rumors in a Vacuum



*Galford, R. & Drapeau, A. 2003. Enemies of Trust. Harvard Business Review. [Online]. Pp.1-9. Retrieved from: Harvard Business Publishing. [October 2016].*

# Build Trust to Improve Knowledge Transfer and Loyalty

## Rebuilding Damaged Trust:

- **Own Up to the Situation Quickly:** Explain that the company is aware of the situation, and is committed to making things right.
- **Figure Out What Happened:** Consider conflict-resolution processes, but never retaliation.
- **Use Dialogue to Assess the Damage:** While never deviating from the core message, adapt your response to the varied needs of different groups.
- **Identify Needed Remedial Actions:** List changes you'll make in organizational systems, people, and culture, and define what repaired trust will look like.
- **Make the changes.**



*Galford, R. & Drapeau, A. 2003. Enemies of Trust. Harvard Business Review. [Online]. Pp.1-9. Retrieved from: Harvard Business Publishing. [October 2016].*



# Build Trust to Improve Knowledge Transfer and Loyalty

## Designing and Managing High Trust Cultures:

- **Ovation** – celebrate members
- **Expectation** – set difficult, achievable goals
- **Yield** – share control
- **Transfer** – autonomy breeds productivity
- **Openness** – transparency
- **Caring** – social bonds create engagement
- **Invest** – “whole person” development
- **Natural** – honesty promotes collaboration



*Zak, P. 2017. Trust Factor. New York. AMACOM.*

# Exploiting Trust in Project-Based Environments

**Trust** has been identified as a **central influencer** on the **performance** of project-based construction teams:

- Trust can lead to faster, more cost effective projects.
- Trust reduces risk and uncertainty through better communication.
- Communication and working in teams builds trust.
- Trusting relationships are valuable; it's important to develop them and preserve them.
- The short-term nature of project teams works against the maintenance of trusting teams.
- Trust contributes to open-mindedness and flexibility; when information is incomplete and changes are frequent, these qualities contribute to swift resolution.



Swan, W., McDermott, P., Wood, G., Thomas, A., & Abbott, C. *Trust in construction: achieving cultural change*, 2002, Centre for Construction Innovation.

# Exploiting Trust to Promote Knowledge Transfer

## Points of Leverage to Build Trust:

- Leverage the need for **teambuilding**
  - Leverage **business continuity** concerns
  - Leverage **Groupthink Mitigation (GTM)**
  - Leverage **Red Team Exercises**
  - Leverage **Communities of Practice**
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- Provide a “Process Coach” who can add impartial feedback into these processes
  - Remember what people work for: **autonomy, mastery, and purpose.**





# Trust in Knowledge Transfer During Succession Planning...

*What are the Critical Factors?*



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Theme:  
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## Exploiting Trust:

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*Questions:*

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