

Working towards a Transformational Knowledge Management – Developing a Knowledge Management Action Plan at ADB

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1. About the Case Organization

Established in 1966 as a development financing institution, the Asian Development Bank (ADB) is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Since ADB's commitment to be a learning organization in 2001, the bank has pursued action plans in 2004, 2009 and 2013 to improve the way it manages its knowledge. The Knowledge Management Action Plan 2021-2025 (KMAP) was formulated to enable ADB realize its long-term vision of becoming a trusted regional knowledge solutions provider.

2. About the Challenge:

What was the main issue or problem you were using KM to address?

- **Cultural gaps.** ADB's organizational culture does not value knowledge work as much as lending. ADB's culture does not sufficiently nurture discussion, debate, and dialogue, and does not enable fast learning from failures and successes across teams.
- **Structural gaps.** Organizational silos, limited use of data for decision making and competing resource envelopes inhibit effective and purpose-driven coordination of lending and knowledge work to meet ADB's long-term objectives.
- **Procedural gaps.** Despite decades of experience in organizational knowledge management, ADB needs to tackle several challenges: lack of clear incentive structure for knowledge work; reliance on lending and deal transactions in Developing Member Country (DMC) portfolios and less on knowledge and policy dialogue; scarce resources for knowledge work in middle-income countries; excessive outsourcing of knowledge work (overreliance on consultants); lack of rigorous peer review of knowledge work; and varying levels and quality of knowledge management tool applications and products.
- **Lack of focus on results.** ADB has not sufficiently emphasized reporting on and measuring knowledge solutions and their impact in DMCs and on ADB business goals.
- **Lack of maturity in data management.** ADB still relies on huge manual efforts to access, validate, and reconcile data to support its operations and respond to client requests.

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

- DMCs appreciate ADB primarily for lending.
- Based on a client perception survey among ADB's clients in 2020, areas for improving KM include:
 - Making ADB's knowledge outputs less theoretical and generic; more timely; more accessible.
 - Focus on knowledge work that is useful for policy, project and program design and implementation.
 - Increasing the reach and usage of ADB's short reports, multimedia knowledge outputs and policy dialogue.
 - Finding new channels to better disseminate ADB's Knowledge Products and Services (KPSs).
 - Strengthening assessment of the knowledge needs of developing member countries and bridging regional differences in terms of familiarity and application of ADB's KPSs.

What size group/division was impacted by the case effort?

The issue of irrelevant or inadequate knowledge engagements was affecting 25 resident missions, 3

regional offices, all departments in HQ, all together 3500 staff members and thousands of consultants and contractors. Many Developing Member Countries have reached middle income status and are graduating to upper middle income country status. These DMCs are not eligible for concessional financing but need knowledge solutions to address complex problems.

3. What We Did

In brief, what did you do? What methods and approaches did you use? What technologies if any? What was innovative or particularly interesting to share about this effort?

The team developed a new Knowledge Management Action Plan deploying:

- *Theory of Change and a Framework.* ADB anchored its new KMAP on a “Theory of Change” to identify important pillars for action and to understand why previous KM plans were not as successful as planned.
- *Collaboration.* ADB created a core working group across several departments to develop the new action plan, and anchor it in key corporate reforms. The group consisted of staff who represented the important pillars for knowledge 1. People and Culture, 2. Process and Systems and 3. Relationships (i.e. lending operations, information technology, knowledge, strategy group and human resources)
- *Synchronization.* ADB used the KMAP to synchronize with ongoing reforms in the bank that are critical to managing knowledge (e.g. Digital Agenda, Cultural Transformation Initiative etc.). The KMAP highlighted that knowledge is a key business objective for ADB.
- *Consultations.* ADB involved all stakeholders in the formulation of the KMAP including DMCs, the Board, and various departments in the Bank, emphasizing that KM is every staff’s responsibility. This was implemented as change management initiative.
- *IT maximization.* ADB optimized its modern technology and collaborative tools including online communities to seek feedback and inputs for the KMAP.
- *Benchmarking.* A roundtable with renowned and reputable KM institutions and universities was held in November 2020 to validate the thrust of the KMAP.

4. Challenges and Lessons Learned

What hurdles or barriers did you face? How did you overcome them? Do any remain? What were your lessons learned? What might you do differently next time? What advice would you give to another organization attempting a similar project?

- Having a clear business case for improving KM is critical so that organizations do not manage knowledge for KM’s sake. Grounding the KMAP on a prior evaluation of how ADB delivers its knowledge solutions was important to ensure management takes the new KMAP seriously.
- Anchoring the KMAP on a robust framework and a “Theory of Change” helped explain how to bridge knowledge management gaps so that ADB becomes a leading and trusted provider of knowledge solutions.
- Knowledge management is akin to change management, particularly in an environment where KM continues to be seen as an add on work. Pre-testing initiatives such as the digital agenda and enhanced country knowledge plans demonstrated benefits that persuaded departments to change. This change management approach is being continued through the 88 nominated “KM focals” (champions) across the bank and the development and implementation of department KMAP roadmaps.
- With the department KMAP roadmaps, teams are taking stock of current initiatives and aim to improve those that are already underway within the overall KMAP framework. This helps to build trust by showing quick wins.
- Inclusiveness is key for an action plan that will benefit from the effort of every staff in the bank. KMAP uses the phrase “Every ADB employee is a knowledge worker”.

- Bringing down the implementation of KMAP from corporate to department level is important to ensure implementation.

5. Impact and Benefits

*What have been the business benefits of your effort so far? Could these benefits have come from other causes? How do you know your effort made a difference? What do you think were the main reasons for your progress? What **future benefits** do you foresee? If you don't have KM, what could happen?)*

(see footnote 1 for items a to c)

- a) Increase collaboration by instituting a “One ADB” approach, bringing together knowledge and expertise from across the organization to increase learning, innovation, and impact in DMCs.
 - b) Improve the quality of knowledge services through deeper analysis and research, expedite greater knowledge sharing across countries, and make business processes more efficient.
 - c) Use country-focused approaches, emphasizing practical knowledge that fits local conditions; identify lessons; and replicate good practices across the region and beyond.
- Instil clarity in terms of the knowledge agenda and how this supports ADB’s operations.
 - Improve the quality of ADB’s knowledge and ultimately its lending portfolio which will be influenced by knowledge.

6. Next Steps

Briefly describe what you/ the organisation intend to do next in this area. Do you/they intend to build on or extend the work you have done in this project?

Next steps include:

- Evaluating the departmental roadmaps for common KM issues and solutions;
- Setting the stage for innovation strengthens the business case for knowledge management;
- Capturing the lessons learned from the implementation of the current plan;
- Securing ISO certification for ADB on knowledge management; and
- Benchmarking ongoing efforts through research partnerships on evidence-based KM to drive the next knowledge agenda.

ⁱ ADB. 2021. [Asian Development Bank Knowledge Management Action Plan 2021–2025 Knowledge for a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific](#)