Workplace Knowledge and Productivity Report
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Every job has its nuances. Every organization has its own customs and culture. Every employee, therefore, ends up with knowledge that no one else has. And that knowledge is not only rare but valuable.

Call it “unique knowledge.” It consists of everything an employee gains through specialized training and insider learning. Unique knowledge varies from organization to organization and from position to position. But it’s instrumental in tackling the complex problems and unexpected challenges that employees encounter at work more or less every day.

On the one hand, this is fantastic. We all have our areas of expertise, hard-earned and distinct.

On the other hand, it’s problematic. Most places of work don’t have a formal way of capturing unique knowledge and sharing it throughout the organization. So, more often than not, it remains stuck inside people’s heads.

There are two big reasons to care about this. One is romantic: Knowledge is valuable, and it’s a shame to let good ideas go to waste. The other is practical:

Unshared knowledge costs money.

When a coworker asks for help or advice, people are usually happy to share it. But if we’re never asked, if we’re unavailable, or if we’ve left the company to start a new job somewhere else, then we can’t share what we know. And that leads to frustrations and inefficiencies that really add up.

While we’ve all learned to respect the value of data, the value of unique knowledge is generally overlooked. Why? Because unique knowledge is seldom quantified. We’re accustomed to using and sharing it informally, so we don’t think about trying to measure or assess it more discreetly.

This report will change that.
We surveyed 1001 American employees across a variety of industries to learn as much as we could about their experiences using — and having to cope without — unique knowledge. Three-fourths of these respondents have been working for at least 15 years, though not necessarily at the same job. A third of them work specifically in a learning and development capacity, which allowed us to get even deeper into how knowledge is and isn’t managed by organizations.

What we found is that companies suffer from unshared knowledge in two ways: first, in making employee transitions less efficient, and second, in making day-to-day work less productive.

When people leave an organization, their unique knowledge goes with them. And it takes a long time for new hires to build that knowledge back up. How long, and what are the consequences? We have numbers.

Further, even when workers stay put, unique knowledge is hard to access. How much time would you guess employees spend every week waiting to receive information, or duplicating someone else’s efforts without knowing? We counted. It’s a lot.

By accounting for all those hours, we can estimate how much money unshared knowledge is costing employers — and that’s when the value of unique knowledge really becomes clear.
How Knowledge Is Lost
Part 1: Employee Turnover

Everything moves fast in the digital age — including careers. Our study found the average turnover in enterprise-size organizations to be 16 percent. And according to Business Insider, even the most attractive tech companies retain employees for less than two years on average. Which is all to say, an employer’s knowledge resources are regularly heading out the door.

Some of that knowledge may be easy to replace. But most of it isn’t.
In order to understand the impact that turnover has on a company's knowledge resources, first we have to know what those resources are made of. How much of an employee's working knowledge is unique to that person? And how much is standard knowledge that would be shared by many people throughout a company?

When we asked this question in our survey, respondents figured that a bit less than half of the knowledge they depend on is unique, while slightly more than half is standard.

While “less than half” may seem like it means “less important,” it’s actually a very large slice when you think about it. If any employee left your company, the rest of the workforce would be unable to do 42 percent of her job. That’s a big hole.

The value of unique knowledge is even more apparent when you look at different sources of knowledge.
Much of the personal and professional experience each of us accumulates throughout our lives and careers is unique. According to the employees in our survey, experience is both the largest source of workplace knowledge (51 percent), as well as the most important source (54 percent). In fact, in terms of both size and importance, employees gave personal/professional experience as much weight as the other two sources of knowledge combined.

The “70-20-10 rule,” popularized by the Center for Creative Leadership, proposes a slightly different breakdown. According to that rule, experience accounts for 70 percent of employee knowledge, while 10 comes from training and 20 comes from interacting with colleagues. Our numbers differ because we also considered education as a factor, and because we gathered subjective input from 1,000 individuals, which naturally contains some outliers. The principle, though, holds true. The scale clearly tips toward experience.

Most noticeably, the scale really tipped when we asked employees to imagine doing without different sources of knowledge. In that case, 8 in 10 agreed that personal and professional experience is the most difficult to replace.

This finding also fits with the principles of the 70-20-10 framework. Most of your employees have experienced similar training at your organization, and many have comparable degrees and educational backgrounds. But none will have followed identical paths in their professional and personal development.

Filling any employee’s individual shoes, therefore, is never an easy thing.
Whether their careers are decades old or just getting started, most employees appreciate how hard it is to replace personal and professional experience. But our study found that the longer they’ve been working, the greater their appreciation is.

**ALL AGE GROUPS VALUE EXPERIENCE**

<table>
<thead>
<tr>
<th>Professional Tenure</th>
<th>5-14 Years</th>
<th>15-29 Years</th>
<th>30 Years +</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal &amp; Work Experience</td>
<td>71%</td>
<td>81%</td>
<td>87%</td>
</tr>
<tr>
<td>Professional Training</td>
<td>17%</td>
<td>10%</td>
<td>9%</td>
</tr>
<tr>
<td>Formal Education</td>
<td>12%</td>
<td>9%</td>
<td>4%</td>
</tr>
</tbody>
</table>

**QUESTION**
Which of these sources of knowledge is hardest for an organization to build and replace once it is lost?

Of employees with less than 15 years in the working world, 71 percent feel that experience is harder to replace than education and training. That’s a large majority — but it gets even larger among employees who have worked for 30 or more years. In the chart above, you can clearly see that, as time goes on, more and more workers find experience to be the most irreplaceable source of knowledge, while fewer and fewer feel that way about training and education.

In other words, the people with the most experience place the greatest value on experience.

Long-tenured workers are aware of their own experience, to be sure. But they’re also aware of the experience of their colleagues, whom they have learned to rely on for information and counsel. The longer a person works, the more they understand that unique knowledge, gathered and refined over time, truly is one of a kind.
Later we’ll look at how long it takes for people to feel settled in new jobs. First though, let’s look at the other side of all this unique knowledge that every person has. Namely, what happens when other people can’t access it?

How do employees feel when they can’t access unique knowledge? Eight in 10 respondents say they get frustrated, and a full quarter say they’re overwhelmed.

That wouldn’t be a problem if it happened only occasionally. But our survey found it’s actually quite common.

**UNSHARED KNOWLEDGE FRUSTRATES EMPLOYEES**

- **81%** Frustrated
- **26%** Overwhelmed
- **9%** Lost
- **12%** Confused

*Base: Total Respondents (1001)

**QUESTION**

When you struggle to obtain information and knowledge that affects the ability to do your job, how does that make you feel?
Every organization aspires to make information easy to find. But fewer than 1 in 5 employees say that’s always the case for them. 60 percent, on the other hand, find it either difficult, very difficult or nearly impossible to get the information they need to do their jobs well.

As you’ll see on the next page, the number of employees who find it hard to get information correlates strongly with their company’s turnover rate.

**MOST EMPLOYEES FIND IT HARD TO GET INFORMATION THEY NEED**

![Chart showing the distribution of responses to the question: How easy or hard is it for you to get information and knowledge at your organization?]

- 13%: It’s almost always easy to get the information I need to do my job well
- 27%: It’s fairly easy for me to get the information I need to do my job well
- 35%: Sometimes it can be difficult to get the information I need to do my job well
- 18%: It can be very difficult at times to get the information I need to do my job well
- 7%: It can be nearly impossible at times to get the information I need to do my job well

**QUESTION**

How easy or hard is it for you to get information and knowledge at your organization?

*Base: Total Respondents (1001)
TURNOVER RATES AND ACCESS TO KNOWLEDGE ARE RELATED

At companies with low turnover, 23 percent of employees feel it’s very difficult or nearly impossible to access the information necessary to do their jobs well. At companies with higher turnover, that number jumps to 38 percent. Less than a third of employees at those companies describe information as “always easy” or even “fairly easy” to access.

Most of the companies in our survey fall in the “low turnover” category, with rates less than 20 percent. But the average rate is close to the edge, at 16 percent. With turnover trending high, especially in high-profile companies and competitive industries, employers would be wise to investigate options to make sure that new hires can access the knowledge they’ll need to be successful.

*Base: Total Respondents (1001)
According to the learning and development professionals in our survey, new employees receive just 2.5 months of formal onboarding training on average. And the distribution of responses skews low — 2 in 5 respondents reported providing either less than a single month of new hire training, or having no formal onboarding program at all.

This aligns with what we learned earlier about sources of knowledge. If new hires receive only a few weeks or months of formal training, that means for much of their first year they’re left to rely on past experience or figuring things out as they go.

One way for companies to better prepare their new employees is to extend the training period. Another is to look at the manner and quality of that training. Are there ways to provide new hires with the unique knowledge needed to do a particular job?
While training at the average company tends to wrap up after 2.5 months, a new employee’s onboarding continues on.

The average new hire won’t be fully up to speed in their role for 6.5 months — fully 4 months after onboarding has wrapped up. And as jobs become ever more specialized, this issue might go on quite a bit longer. Already at 1 in 5 companies, it takes a new employee an entire year or more to get up to 100 percent productivity.

Especially when the average employee leaves their job after just 2 years, that’s a long time spent “figuring it out as you go.”

Of course, getting up to speed at a new job will always take some amount of time. How much depends on the knowledge that employees have access to along the way.
For new hires, the availability of formal onboarding is only one source of knowledge sharing inefficiency. That’s because new hires spend more time asking for information and duplicating their coworkers’ efforts than colleagues who have been on the job longer.

During their first month in a new position, employees spend an average of more than 50 hours asking coworkers for help (12.7 hours per week). You can’t blame them; they’re still learning the ropes.

And the inefficiency doesn’t end there. New hires spend more time waiting for information and duplicating their coworkers’ efforts than colleagues who have been on the job longer.

How much more time? To find out, we compared the total inefficient hours for professionals with one year of tenure to those of professionals with multiple years of tenure.

What we found is that being new to a job means spending 28 additional hours every month working inefficiently. Needless to say, if companies can get that number down, it’ll really pay off.
Part 1: Summary

Taken all together, the relationship between unique knowledge and employee turnover is dramatic:

• Employees agree that personal and professional experience is the most important source of knowledge.

• Employees also agree that it’s frustrating when they can’t get information they need.

• Unfortunately, that’s exactly what happens every time a coworker leaves and takes their unique knowledge with them.

• Rebuilding that capacity is a slow, inefficient process.

• New hires face frequent delays and obstacles in accessing and acquiring the knowledge during onboarding that they need to be successful.

Some amount of turnover is inevitable. But the frustration, inefficiency, and loss of knowledge that result from it? Those are all things that companies can do something about.
How Knowledge Is Lost
Part 2: Daily Inefficiency

Even when employees stay on the payroll, their unique knowledge isn’t always accessible. People travel and take vacation. We have our own jobs and responsibilities and can’t be available 24/7 to answer other people’s questions.

If our unique knowledge never exists outside our own heads, then sometimes our coworkers will simply have to do without it. That puts a big damper on productivity — which, hour by hour, has a significant impact on the company’s bottom line.
5 HOURS PER WEEK WAITING ON OTHERS FOR KNOWLEDGE

We live in an age of immediacy. With so much information available to us on the internet, and so many ways to communicate with our coworkers, we expect our questions to be answered promptly and our work to advance swiftly all day long.

When knowledge isn’t preserved within an organization, however, those expectations aren’t always met.

Employees in our survey spend an average of 5 hours every week waiting to get in touch with people that have the unique knowledge they need. For 1 in 10 workers, it’s not unusual to wait twice that long. During that time, work is delayed, suspended or even canceled altogether.

For example, say you want advice on how to structure a presentation for a client. You’ve seen multiple examples, and each one is structured differently. You send an email to your coworker Mandy, who knows the client better than anyone and can tell you the best way to approach your presentation. But Mandy is in meetings all day and doesn’t write back. You send a follow-up email the next morning, and later in the afternoon she’s finally able to get back to you with the advice you need.

While waiting for Mandy’s response, you shifted your focus to other things. But your presentation was stuck at square one. You lost a day or two of potential progress, and now you have to cram to get it all done by the deadline.
Rather than lose time while they wait to hear back from someone, employees may try to forge ahead on their own. But doing so is often very inefficient: roaming online for information, second-guessing their decisions and essentially grasping at straws.

It’s almost like they’re new employees again. Their own experience can’t see them through in this situation. And the person with the right experience isn’t around to fill the gap. In our survey, employees reported spending 8 hours — a full day’s work — in this mode every week.

It’s true that trial and error can be educational. You often come out the other end with new knowledge that helps you out next time the situation arises. But the fact remains there are more efficient ways to acquire the same knowledge. It takes a lot less than 8 hours to watch a tutorial video or access another form of knowledge that the company has invested in preserving.
A third source of inefficiency comes when an employee knowingly or unknowingly does work that someone else has already done or is currently doing. On average, employees reported spending nearly 6 hours each week “reinventing the wheel” and duplicating other people’s work. Almost 1 in 3 say they spend more than 6 redundant hours every week. For 14 percent, duplicative work takes up a minimum of 10 hours.

Duplication can happen for a few reasons. Maybe the coworker who has already done the work isn’t immediately available to provide an answer or point you to the right resources. Or maybe you’re simply unaware that your effort is duplicative, and you unwittingly invest time and energy into coming up with a solution that someone else has already gone to the trouble to find.

NOTE: In practice, the three kinds of inefficient work measured in this report overlap with each other. That is, it isn’t accurate to say that employees spend 5 hours waiting for information plus another 8 hours searching blindly plus another 6 hours duplicating other people’s work. Rather, an employee who is waiting for information may pass an hour duplicating another person’s efforts and/or making slow progress on their own. We take this overlap into account when calculating the cost of inefficiency at the end of this report.
What are the most common reasons for duplicating existing work?

About a third of employees we surveyed reinvent the work of others knowingly and intentionally, so they can try or learn something new.

But for more than 70 percent of employees, duplication occurs because either people can’t reach the other person doing the same work, or because they have no idea someone else is doing it in the first place.

In part, this is an issue of time. Twenty percent of workers reported duplicating the work of others only because they’d been unable to reach the colleague in question. If that colleague’s insights had been more conveniently available, there would have been no reason to seek out the information independently.

Most often, however, the reason employees duplicate existing work is a simple lack of awareness that the work is already underway or complete. Time is a factor here as well — when project deadlines loom, employees will seldom spend much time investigating whether potential solutions already exist. The challenge to organizations, then, is to ensure that when relevant knowledge is available, other workers can find it quickly before they try to solve a problem themselves.
Up to this point, our picture of unique knowledge and efficiency in the workplace has been built largely on time and proportions, such as how much time workers spend on certain tasks and how different sources and types of knowledge compare with one another.

But we also asked respondents about their views and attitudes on unique knowledge. How do employees feel about knowledge loss and knowledge sharing?

**EMPLOYEES VALUE KNOWLEDGE PRESERVATION**

<table>
<thead>
<tr>
<th>STATEMENTS ABOUT KNOWLEDGE MANAGEMENT AND LOSS</th>
<th>AGREE WITH STATEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>When employees leave an organization and take their unique work knowledge with them, it costs the organization time and money to replace it</td>
<td>70%</td>
</tr>
<tr>
<td>People with many years of experience in an organization are valuable because they hold so much unique knowledge about the organization</td>
<td>65%</td>
</tr>
<tr>
<td>I would prefer to work for an organization where employees share their unique work knowledge with each other</td>
<td>63%</td>
</tr>
<tr>
<td>Organizations that don’t attempt to preserve and share unique knowledge are making a mistake</td>
<td>61%</td>
</tr>
</tbody>
</table>

*Base: Total Respondents (1001)

Overall, employees agreed with a number of statements that reinforce the findings we shared in part 1:

- Turnover negatively impacts the availability of a company’s knowledge resources, which ends up costing time and money.
- Employees with lots of experience provide lots of value.

We also uncovered strong sentiments about organizations. In a nutshell, the way that organizations manage knowledge really matters to their employees. 63 percent of employees report that they would prefer to work for organizations in which unique knowledge is preserved. A similar proportion feel that organizations that fail to support a culture of knowledge sharing are making a mistake.
For employers, the big question stemming from our assessment of employee attitudes is “What do we do about it?” The answer, according to our survey: find ways to capture and share what your people know.

EMPLOYEES FAVOR KNOWLEDGE PRESERVATION

<table>
<thead>
<tr>
<th>Knowledge sharing is important / very important</th>
<th>Neutral</th>
<th>Knowledge sharing is not important / not at all important</th>
</tr>
</thead>
<tbody>
<tr>
<td>85%</td>
<td>12%</td>
<td>3%</td>
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</table>

**QUESTION**
On a five-point scale, where 1 is Not At All Important and 5 is Very Important, how important is it for organizations to document and preserve their employees’ unique knowledge before they leave an organization?

*Base: Total Respondents (1001)

If there’s one takeaway for employers, it’s that the people who work for them want more and better means of preserving unique knowledge so that it might still be accessible even after employees leave the company.

Of the 1001 employees in our survey, only 3 percent think preserving knowledge isn’t important. At 85 percent, a huge majority thinks it is.
It comes as no surprise that employees who have had to wait or struggle to get the information they need are the most likely to be in favor of knowledge sharing. Perhaps more unexpectedly, however, employees who haven’t been personally inconvenienced aren’t far behind: 80 percent of employees who find information easy to access inside their organizations still feel strongly about the importance of knowledge sharing. The same is true for 77 percent of employees who haven’t personally faced delays.

What this means is that employees see knowledge sharing as more than a way to resolve common pain points. They see it as a good idea in general. And if they ever have been personally inconvenienced, they’re even more convinced.

Employers, therefore, shouldn’t wait for their workforce to be frustrated before they look into better ways of sharing knowledge. Odds are their employees are ready for it right now.
In part 1, we saw what employee turnover does to a workforce’s knowledge resources. Now we’ve seen how unshared knowledge holds back employees in their day-to-day work.

They wait for information. They struggle to make progress without it. They duplicate each other’s efforts.

Employees depend on unique knowledge to be productive, and they want their employers to preserve it.

To date, the frustrations caused by poor knowledge sharing have gone overlooked largely because they’ve been difficult to quantify. Now that we’ve examined the amount of time the average employee loses each year due to these inefficiencies, however, we can assign a real cost to these challenges.
Calculating the Cost of Lost Knowledge

It will always take time for people to learn new things and get work done. But strong knowledge preservation and sharing can make a significant dent in that time.

How much? And what does that mean for a company’s bottom line?

We calculated the value of knowledge sharing by combining data from our study with estimations for how much knowledge can be preserved within an organization and how widely that shared knowledge would be utilized.

Of course, the savings potential for every individual enterprise will be unique.

But the figures on the following pages offer a broad and compelling overview of how much value there is in proactively sharing the unique knowledge locked away in every employee.
To calculate the potential productivity savings, we’ll first examine what a business might gain by eliminating some of the day-to-day inefficiencies caused by poor knowledge sharing.

We’ll first multiply the size of the company’s workforce by its average hourly wage to find the total cost for one hour of work. The equation above uses the average company headcount and employee wages as found in our survey. Outcomes for smaller and larger companies are listed to the right.

Then we multiply by the number of inefficient hours spent at the organization. Employees spend around 5 hours waiting for information, 6 hours duplicating efforts, and 8.5 working inefficiently in other ways. As we’ve noted, we expect some of those hours will overlap. For example, a worker may spend one hour both waiting for information and duplicating efforts, and we want to be conservative with our math. So instead of adding all those hours together, we’ll only use the smallest number, 5.31 hours per week waiting for other people to provide information, and we’ll multiply it by 52 to make our Hours per Week calculation into an annual total.

Finally, we include two multipliers to account for user behavior. First, since it’s not realistic to proactively share all knowledge, we’ll be conservative and say that only about one-fourth of the average workforce’s unique knowledge could be proactively documented and shared. This is our Utilization Rate.

Secondly, since no organizational initiative or process ever has 100 percent adoption, we’ve included an estimated Adoption Rate. In our survey, 74 percent of employees said they would use a video-based knowledge sharing system if it were available.

Factoring these two rates into our equation gives us the numerical value of all the time the company can win back by sharing knowledge: $42.5 million.
Next we want to calculate the effect that knowledge sharing can have on getting new hires up to speed. As before, we start by multiplying the size of the workforce by an individual’s hourly wage. Our survey found that 16 percent of an enterprise’s workforce is new every year. So we insert that into the equation to get the total amount that companies pay their new hires, per hour.

Now we want to know how many hours those employees spend inefficiently during their initial months on the job. In our survey, employees told us it takes 6.5 months for the average worker to learn their job well enough to be proficient. Further, in each of those first 6.5 months, they’ll spend 28 hours working inefficiently.

Finally, we bring knowledge sharing into the equation. Once again we assume a method of knowledge sharing is utilized at a rate of 25 percent and adopted at a rate of 74 percent.

Putting it all together, we find that more efficient onboarding, powered by better knowledge sharing, can save the average-size enterprise $4.5 million every year — on top of the day-to-day efficiency savings we calculated on the previous page.
When we run these figures for organizations of different sizes, we find that by preserving and sharing knowledge, smaller enterprise-size businesses might save as much as $2 million in employee productivity, while larger firms could save upwards of $200 million or more.

What we’re seeing can be understood as a classic example of many small numbers adding up to one very large effect. Yet these figures are conservative, based on hard data from a thousand enterprise employees who deal with knowledge loss every day, and tempered with intentionally lowered estimates for utilization and adoption.

Bottom line, it’s a lot of money to write off as “just the way things are.” Especially when that’s not the way things have to be.
When you stop and think about it, it’s easy to see the value of unique knowledge. It’s why the first month at a new job is so much harder than the twenty-first.

But because this kind of knowledge is so open-ended, we rarely put a number on it. And when we take stock of what makes our companies productive, we tend to overlook it.

It’s an expensive oversight. Employees are wasting time, and companies are losing money.

Preserving and sharing knowledge can’t recoup every loss. Even in the digital age, you’ll never have every answer right there at your fingertips. But there’s no reason to accept knowledge loss to the degree that it currently happens.

On the romantic side of the equation, institutional knowledge is valuable, and it’s frustrating for employees when an answer isn’t available when it’s needed.

On the practical side, unshared expertise costs companies millions of dollars that could be put to better use.