

It is important to make knowledge manageable - but the statistics must not replace direct contact

"We need to get a grip on the kinds of knowledge we need in the local au-thority area. We have been used to automatically filling existing posts rather than looking at what we will need in five years' time.

Discussions are in progress about new salary forms with salaries according to qualifications, and we cannot manage more right now. But if we can map our knowledge, we can be paid salaries according to what we know.

It is important to establish what kind of knowledge is to be measured. In the local authority there is a lot of talk about high levels of theoretical knowledge. A knowledge account must also allow for the ability to relate to colleagues and other kinds of social behaviour. And often one fails to capture the knowledge that craftsmen, for instance, have. It is true that we have tested staff in terms of some of the managerial roles, but we have never tested managerial abilities as such. That may be some-thing the knowledge account could reveal.

But my nature revolts against this. I am not the statistical type. I do not think you can put a numerical value on people's knowledge - numbers put everything in pigeonholes. Too often, forms and tables are an excuse for those who are unable to conduct an employee interview. Maybe the knowledge account can be used for something. But if we have to calculate with figures in the black and figures in the red, that's where I get off the boat."

**Eva Warming,
Senior Shop Steward,
HK (Union of Commercial and Clerical Employees in Denmark),
Kolding City Council**



A weapon against statistics-obsessed policy-makers - but we must not forget the soft values

“At public-sector workplaces we need a tool that can convince the policy-makers of the value of spending money on the training and development of employees. You get added value when you make the work force more flexible, and make it attractive, so that it can be offered on the labour market instead of expensive severance pay schemes.

At present we spend 0.8% of labour costs on retraining. My goal is a minimum of 2%. “But what do we get for the money?” some people will ask. The policy-makers are obsessed with statistics. We must have a wide raft of tools to choose from, depending on the industry or firm we are in.

But if the key figures are used very rigorously, we might forget the rather more offbeat or fun type of qualifications. We must make sure that the soft qualities are also assigned a value.”

Torben Bekke,
Senior Shop Steward,
SID (General Workers’ Union in Denmark),
Greve Local Authority

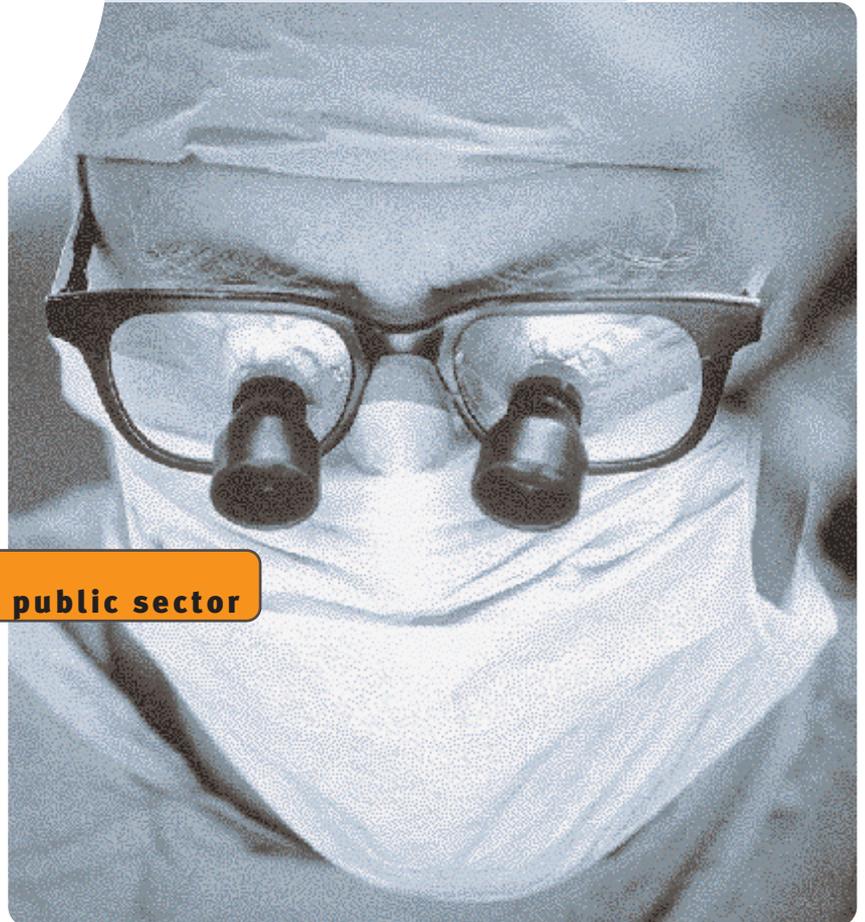
Sixth issue: How can cooperation be established at your workplace on the knowledge account, so that the staff are ensured real participation?

The knowledge account is not only important to businesses that have to make a profit. On the contrary, we could almost say. For while a business buys a lot of its knowledge in the form of components or commodities, knowledge in the public sector is quite overwhelmingly tied to human beings.

An investment in the training and development of staff increases their knowledge and thus their value, whether we are talking about office staff learning new computer programmes, hospital staff or librarians who learn to operate new technology, or technical staff who are given training in cooperation as part of an organizational restructuring.

The result may not be earnings that appear on the credit side of a financial statement. But it may be “political earnings” like fast, well qualified caseworking, shorter waiting lists, better tax assessment and so on. To this we can add lower costs for recruitment and the remedying of errors, for dealing with complaints, for informing the public, and so on.

The public sector





**A price tag on my knowledge is fine
- but it mustn't be hurried through**

"We have already been given a price tag by the "pay system of the 90s", qualification allowances and so on. So if we were to be evaluated for a knowledge account it wouldn't bother me too much. Presumably it could work the same way as when we shop stewards in the company agree on which qualifications should be measured.

A knowledge account would show that we are a resource you can't push around. It might help to ensure that we are offered training instead of unemployment. The situation used to be that people were fired and re-engaged. Now the staff represent a large body of know-how, and much of this doesn't come back. "Natural attrition" shows how expensive these managers are to run.

How a knowledge account should look must not be left entirely up to the companies. That would make it hard to compare them. What we need is some general guidelines common to certain types of company.

As an employee I have nothing against a knowledge account. But they mustn't come along and say that we have to have such and such within a certain number of years. We need a debate. People must want it themselves."

Vagn Schmidt.

Senior Shop Steward, SID

(General Workers' Union in Denmark),

A. Winther A/S, Silkeborg



Seventh issue:

If you introduce the knowledge account at your workplace, is it then still necessary to have a social and ethical account to safeguard the weaker of your colleagues, who may be "judged" as worthless?



Accounting with many purposes

Both in the public and in the private sector, work is being done on various types of qualification payment. This involves many of the same kinds of assessment that are used in different forms of knowledge accounting. But it can have many other purposes. A knowledge account could convince shareholders that money spent on development and training is well spent. It can bring investments from lenders who might otherwise not support the development of a company with a lot of knowledge but few other assets.

It might also be a tool to get managers to make other decisions, when they see that they are measured in terms of how well they manage the staff and their knowledge. Perhaps some managers will gain a better understanding of the value of staff development. But it could also become a tool for further marginalization of the weaker employees.

And it could be a tool for the employees themselves, helping them to maintain their value in the workplace and on the labour market by means of training and development.

But it could also be a bureaucratic instrument in the hands of bookkeepers, accountants and managers who would rather look at the tables than look the employees in the eye. The knowledge account will always be a framework that the company itself has to fill in, and there could be a number of effects, both positive and negative, that must be carefully considered in the cooperation between management and staff.



It's OK to show the value of training - but it mustn't be used in the pay system

"We have been actively involved in "the Developing Workplace" and have started with self-functioning groups, but have come to a halt because of the situation of the company. If a knowledge account can show the importance of training and development, then I'm all for it. But if it is to have crucial influence on the pay system, I'm not. We have equal pay according to seniority, and that works fine."

Per Ohlsson,
Shop Steward
Campen A/S, Århus



Accounting for development and learning is fine - but it also reveals those who cannot develop

"The knowledge account can reveal those employees who do not have the resources to develop. We see many of those here at the trade and industry centre, where we work to improve people's qualifications so they can get back into working life.

We hear it especially from some of the older employees who have fallen victim to cuts. "Before, when I went to work, I used to hang my head on the hook by the door. I can't do that any more. Now I have to develop, and I can't do that," they say. They would like to work in sheltered environments, not least for the sake of contact with their colleagues. But they do not have much motivation to go back to the "ordinary" labour market.

The younger employees are used to making their own demands for development. With them, it is the duty of the business world to follow up on individuals, not just to give training to those who shout the loudest."

Karen Frederiksen,
Workshop Supervisor,
Trade and Industry Centre, Espelund

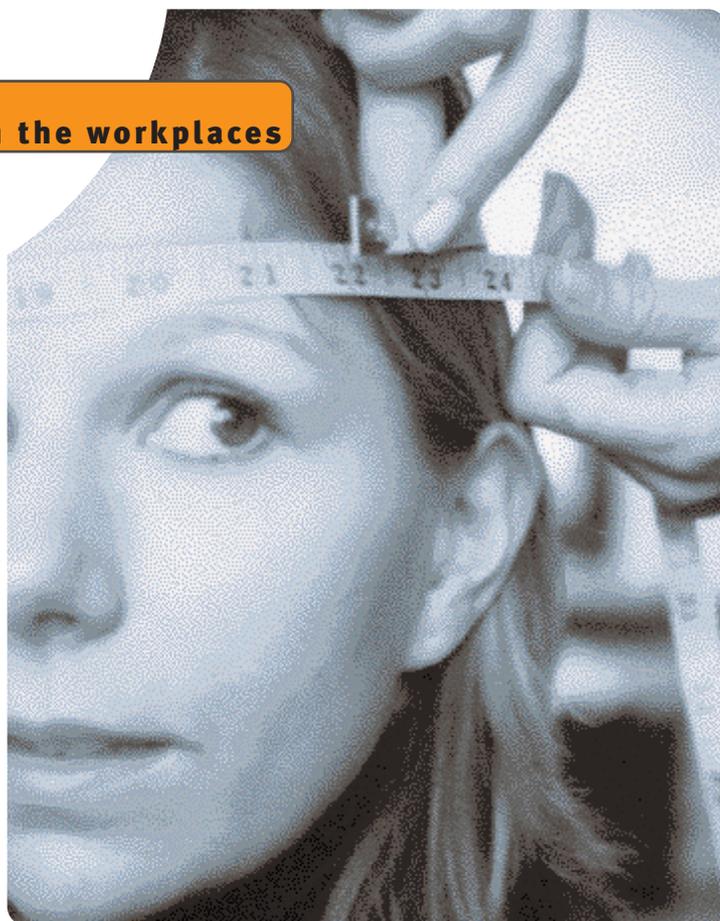
Perhaps a knowledge account is a good idea. But it can depend on many things. Who is to use it? Who is to draw it up? And how is it related to pay and cooperation at the individual workplace?

The time is not ripe to propose rules for drawing it up. The important thing is to bring up the subject for debate so that attitudes can be clarified while there is still time to influence the development that is on its way.

In the Toolbox you will also find the booklet *When training becomes a matter of economics*. It may be a good idea to run through the first two sections as a supplement to this booklet. On that basis we think we can have a good discussion of the knowledge account.

In 1998 and for a couple of years to come, the Agency for the Promotion of Trade and Industry will be conducting a number of experiments with knowledge accounts. Perhaps it would be a good idea to arrange an evening meeting with representatives of the firms where the experiments are being done, if they are able to do so. Another possibility is to hold a series of study circle evenings - for example involving AOF (the Workers' Educational Association) or one of the trade unionist high schools, to work with the material in this Toolbox.

Debate in the workplaces





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