

KM and Organizational Learning to Foster Innovation

Using Culture to *Drive* Business Results

Janine M. Valvoda

Assistant Vice President & Chief Culture Officer

janine.m.valvoda@clev.frb.org

Agenda

- The Fed
 - A quick primer on the Federal Reserve
 - Our evolving culture
- Our approach to culture, KM, & learning
 - **Why** (drivers behind the change effort)
 - **What** (vision of new culture)
 - **How** (strategy & implementation)
 - **Results** (successes & lessons learned)

The Fed

Structure

- Board of Governors and 12 Reserve Banks
- Separate corporations yet System coordination
- Co-located & dispersed workforce

Purposes & Functions

- Monetary Policy
- Bank Supervision & Regulation
- Financial Services
 - Check, cash, savings bonds, etc.

Mission-Driven

- Public sector
- Non-governmental organization

Federal Reserve Bank of Cleveland

- 4th District
- Cleveland, Pittsburgh, Cincinnati
- About 1,400 employees

Changing Times

- Evolving responsibilities, 'tools' etc.
- Dynamic nature of financial markets/environment

Drivers for Change - *Why*

Conservative

- Risk averse
- Strong planning & analysis
- Deliberate decision making

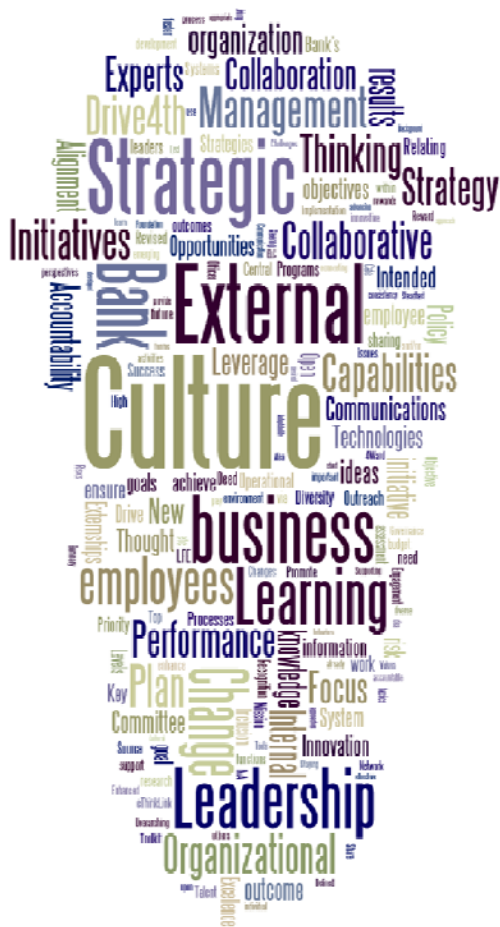
Changing focus

- Internally → externally
- Operations → thought leadership, policy & influence

Strong knowledge base but changing

- Importance of intellectual capital
- The 'silver tsunami'
- Operational → knowledge workers

Culture Change Strategy – An Overview



Culture Footprint



- Connect culture & KM to corporate strategy objectives
- Integrate with business objectives
- Ensure alignment & accountability

Culture Capabilities - *What*

Organizational Capabilities*

- Culture
- Talent Management
- Diversity & Inclusion

Culture Capabilities

Future-focus & broad strategic thinking permeates the organization by connecting with external experts

Collaborative teams execute & individuals are personally accountable for delivering quality results that advance the Bank's strategic objectives

Leading-edge innovation & creativity generates new ideas & opportunities

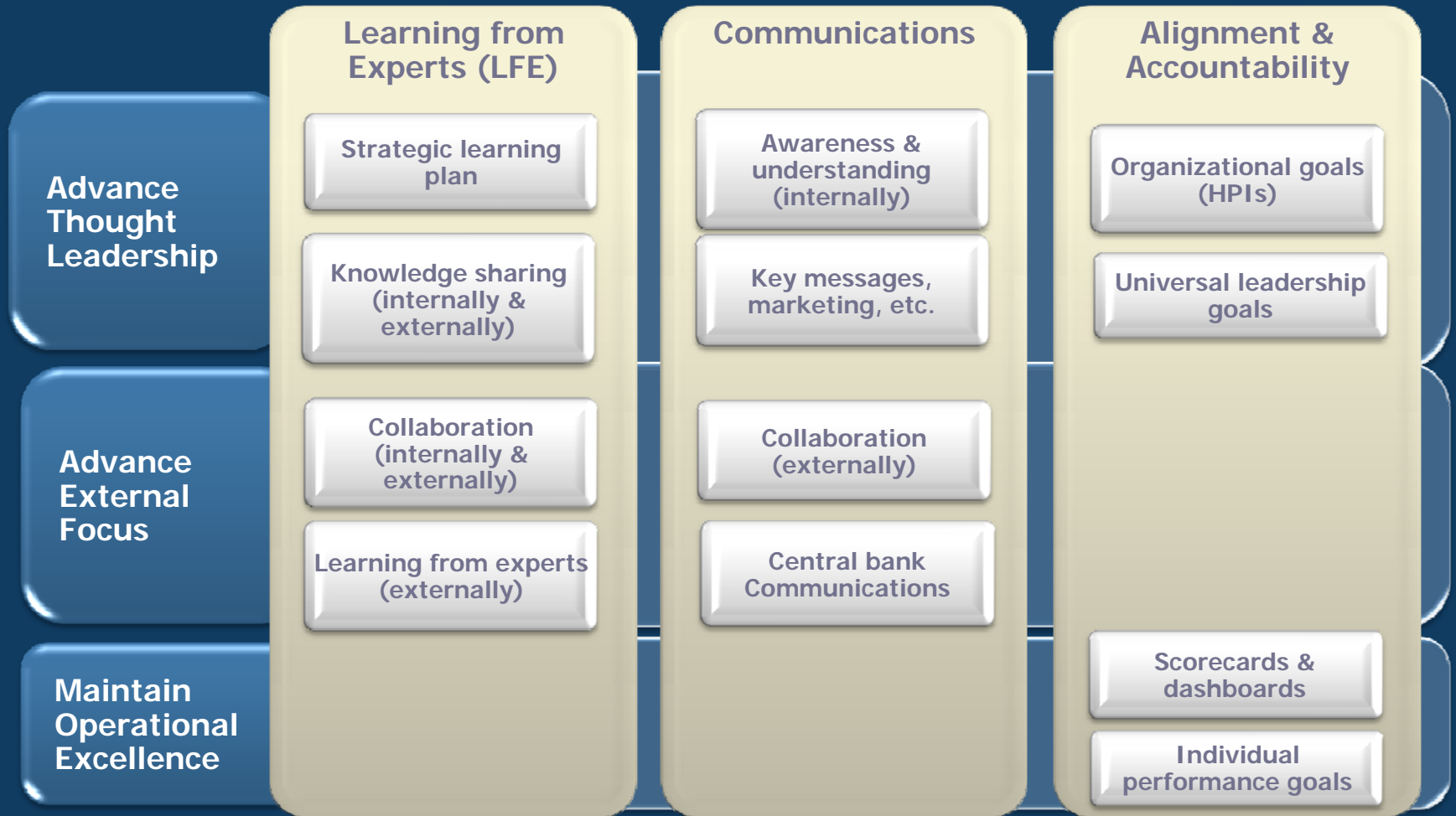
Seeking opportunities & risk taking occurs & learning from outcomes is leveraged

An adaptive & flexible environment fosters open exchanges amongst all levels

* These organizational capabilities are necessary to ensure an effective culture and position our district as a thought leader. Our cultural capabilities are a subset of the broader organizational capabilities.

ca•pa•bil•i•ty *n.* 1. The power or ability to do something or to generate an outcome.

Culture Change Strategy - *How*



Strategic Learning Plan

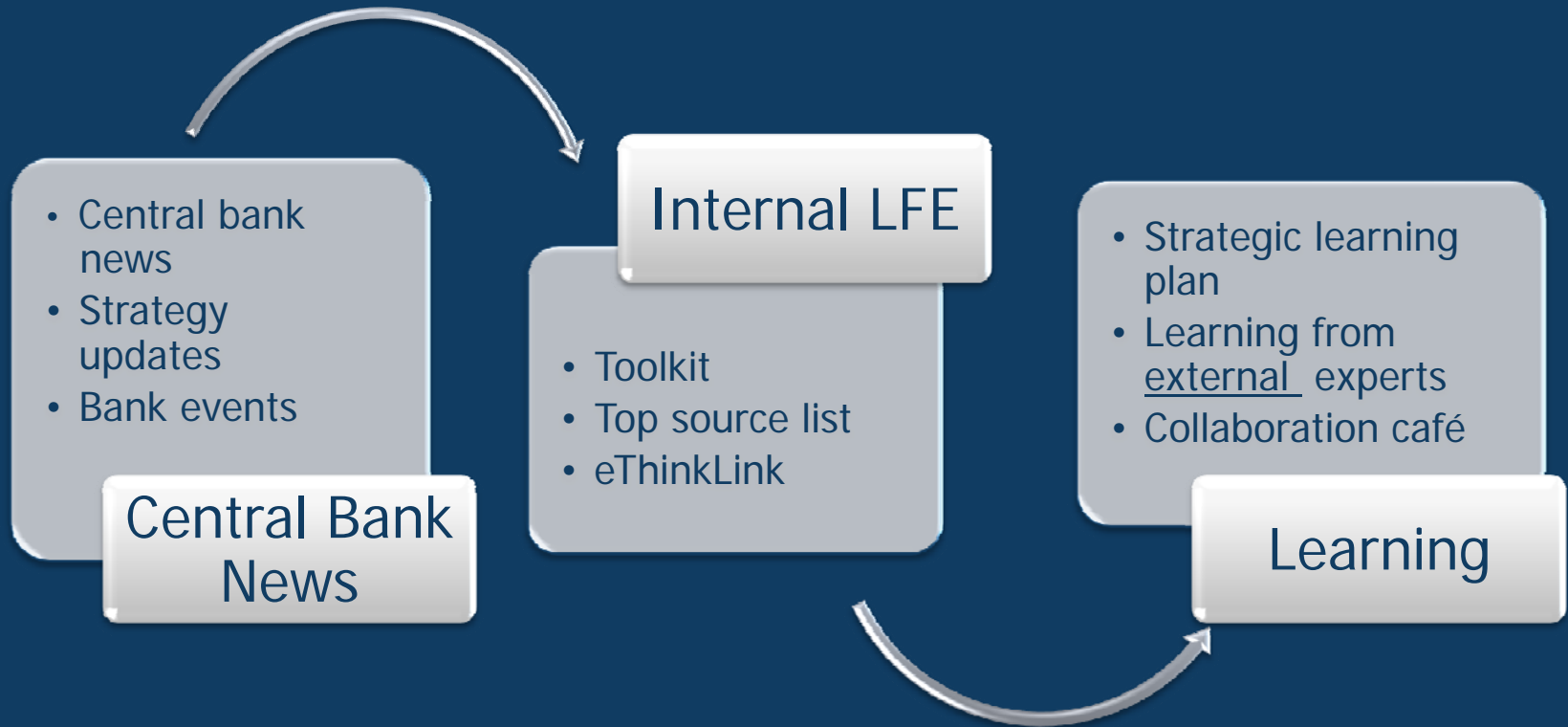
Building Capabilities at All Levels

- Policy and “advisory” skills
- Exploration – influencing new things in new ways
- Collaboration and interchange
- Leading knowledge workers

Learning Areas

- Building a Dynamic and Strategically Aligned Culture
- Building and Leveraging External Networks
- Exploration and Influencing
- Central Banking and Financial Stability

KM & Organizational Learning



Knowledge & Info Sharing

Knowledge & Information Sharing

Why is this important?

The primary focus for culture in 2009 is on knowledge and information sharing. Employees have knowledge and information that is important to share. Additionally, employees need knowledge and information to perform their job. Collaborating with others is a great way to accomplish both. Many culture initiatives will provide tools, resources, and training to aid employees in sharing information and knowledge.



"LFE" & Communications

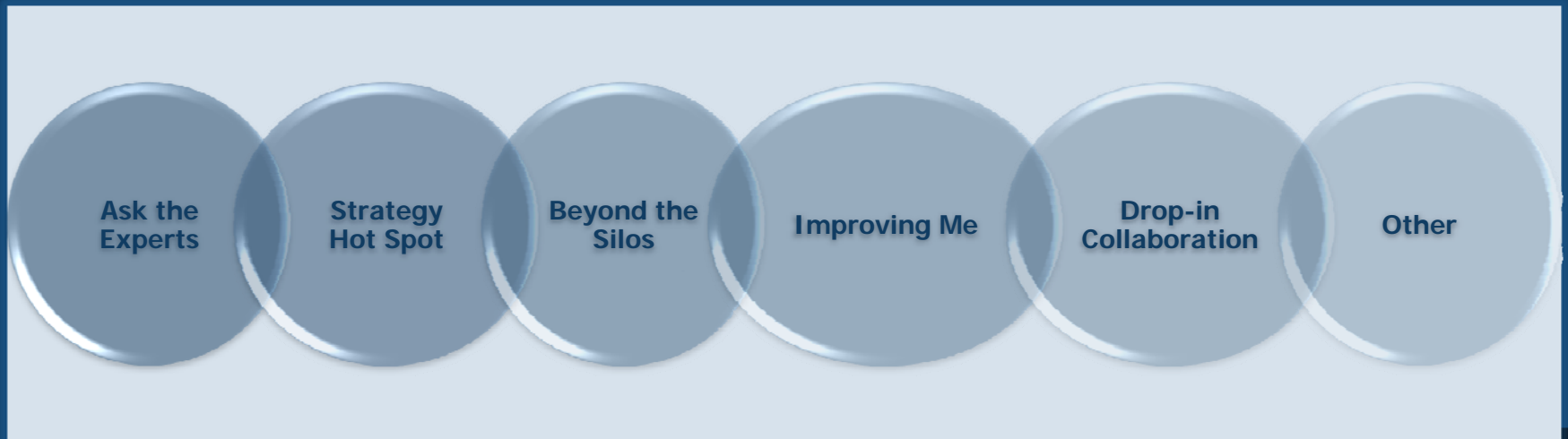
Tools

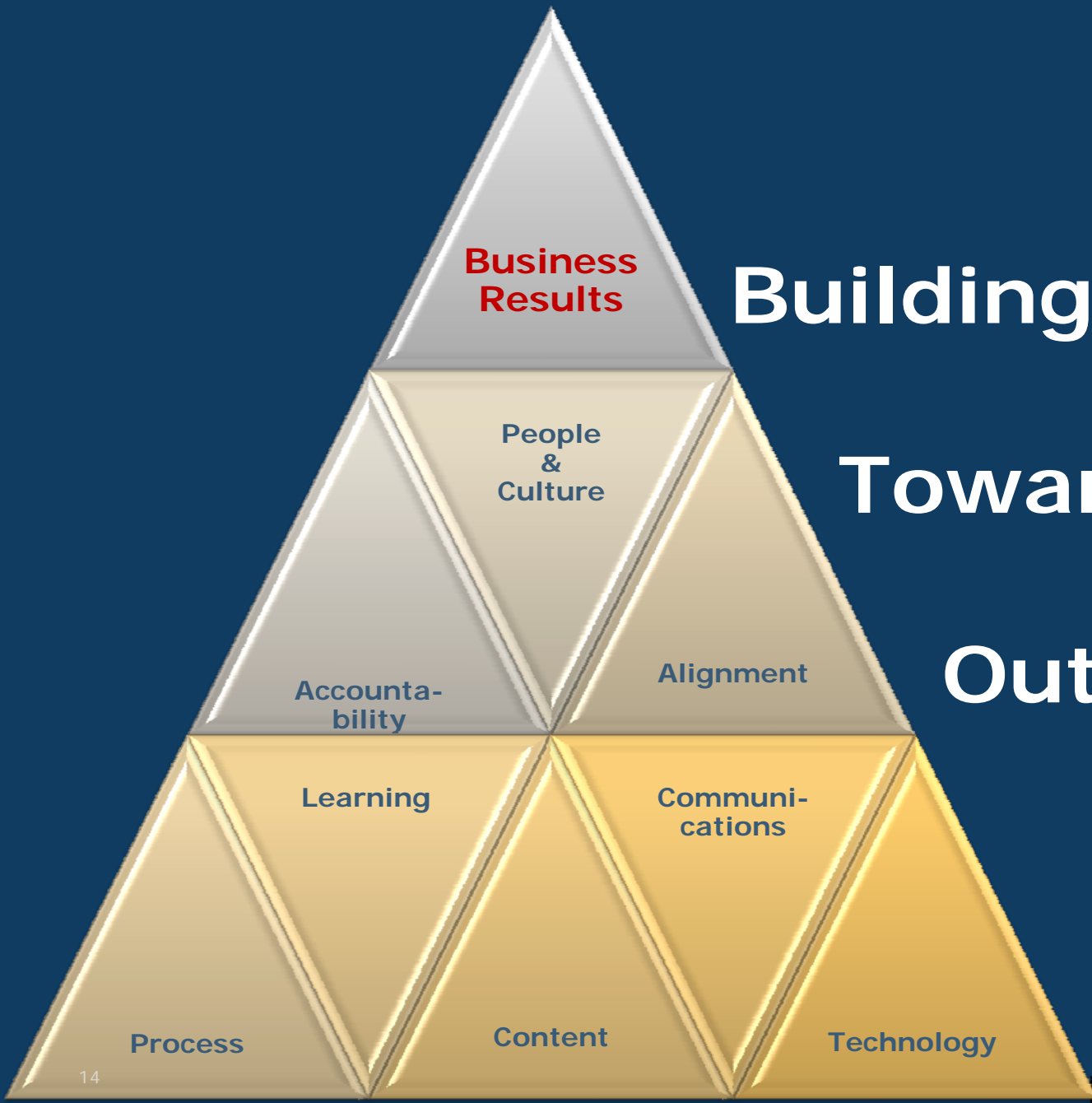
- Community of Practice
 - Technology tools
 - In-person
- Blogs & Wikis
- Intranet
 - Central Bank Corner
 - Access to Content
- Expert Locators
 - Using CoP tools
 - LinkedIn

Techniques

- LFE Toolkit
 - Wiki listing of best practices/techniques in collaboration, sharing, & knowledge transfer
- Top Source List
 - Wiki listing of best sources for topical areas
- 4Ward Thinking
 - Idea Management System
- Externships
 - Pilot/experiment in '09

"LFE" & Communications





Building

Towards

Outcomes

Results ... So Far

• Success Stories

- Employee morale
 - Adding value
 - New relationships
- Significant increase in collaboration
 - Cross-functionally
 - Externally
- Fresh, new ideas
 - Taking some risks
 - Innovative approaches
 - Employees feel comfortable sharing ideas
- Informing our policy perspectives
 - Informed, diverse perspectives on policy issues

• Lessons Learned

- Deciding to change
 - What are you really trying to change?
 - Why (burning platform)
- Choose your initiatives wisely
 - Look for quick wins
 - Seek tangible outcomes
 - Target initiatives to high-impact & high-importance areas
- Integrate
 - Don't have stand-alone strategy
 - Integrate into business objectives