

ROI from learning at work

Who implements strategy?

A 'strategy' constitutes a framework for inspiring activity designed to help the organization to move towards desired outcomes. This article series has argued that the skills and knowledge of an energized workforce can be fully engaged in the process of turning strategic thinking into daily action. Organizations that genuinely see people development as interdependent with strategy execution are best placed to achieve the right blend of dynamic stability. In this kind of organization, employees want to contribute and see the results of their efforts. They can do this by learning at work and comparing outcomes in an open, collaborative work culture. Conversely, companies who neglect the relationship between strategy and learning are more vulnerable, as reflected by short-termism or 'fire fighting' and instability. As a direct consequence of this, the strategy is less likely to mirror market realities and organizational capabilities. In this scenario, initiatives that are not integrated fail or fade away and each time this happens the relationship between employer and employee is undermined. This is not an appealing place to work.

Why capture the outcomes?

It is clear that a case is needed if the workforce is to be actively encouraged to combine learning and work. The short term benefits are easy to discern but what about the longer term? A knowledge-based view is a community that is skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights. This perspective emphasizes the development and use of organizational capabilities to create higher-valued information and knowledge and to improve bottom-line results. So what benefits might be expected to accrue from the new knowledge that has been created? First, the organization most probably sponsors learning because it hopes to create, acquire, and communicate information and knowledge. It is generally held that effective training and development helps in this respect, but because it is input rather than output focused, the evidence of learning is seldom easy to assemble. Second, it should aspire to learn from what it captures and behave differently as a result. Finally in so doing, it must hope to achieve better results. This might be summarized as better knowledge for better behaviour for better performance.

Anecdotal evidence suggests that organizations that learn the lessons of experience are more likely to be successful than those which continue to re-invent the wheel, repeating past mistakes along the way. In this sense, organizational learning can be viewed as a way of learning from experience, and here, learning is a key tangible asset, especially when knowledge transfer occurs. Essentially then, it is the ability to capture learning outcomes from within and from outside the organization and to learn from prior experience that makes the difference. But from a team/group perspective, participants may be reluctant to share knowledge if they fear criticism from their peers, or recrimination from management. One way to overcome this is to use an action learning approach as it encourages learners to share openly with each other in small groups - not once, but continuously.

How might we learn from the outcomes?

What distinguishes information from knowledge? Knowledge capital can be characterized as: (1) valuable; (2) rare; (3) inimitable; and (4) nonsubstitutable. Furthermore, its strategic asset value is determined by the collective and cumulative organizational knowledge embodied in wisdom, rather than the knowledge of mobile individuals. Most of the barriers to effective information management involve people, and knowledge management systems are usually assumed to involve data and document storage in electronic databases.

The debate here centres on whether to 'codify' or 'personalize' knowledge access. To explore the pros and cons of each approach, consider how large consulting firms handle this issue. Those that pursue a codification strategy have developed elaborate ways of categorizing, storing, and re-using knowledge. They do this using a 'people-to-documents' approach thereby enabling others to search for and retrieve codified knowledge without having to contact the person who originally developed it. In turn, this opens up the possibility of achieving scale in knowledge re-use. Other firms use a personalization strategy, built around dialogue between individuals, rather than knowledge objects in a database. Here, knowledge is mainly transferred via brainstorming sessions and one-on-one conversations. Consultants collectively arrive at deeper insights by going back and forth on problems they need to solve. To make their personalization strategies work, some firms invest heavily in building networks of people. Knowledge is shared not only face-to-face but also over the telephone, by e-mail, and via videoconferences. Effective firms excel by focusing on one of these approaches, using the other in a supporting role.

From an organizational perspective, the creation and maintenance of knowledge databases is time-consuming, labour intensive, and costly. Second, keeping track of discussions, decisions, and their rationale is difficult when teams work on short-term projects. The gap then between what people actually do to perform their jobs and how it is documented is difficult to bridge. Some writers believe that the core of any best-practice transfer model is an organization's value propositions. If this is the case, each and every company will have a different set of reasons and priorities for wanting to transfer knowledge and best practice.

Much of the topical literature on knowledge management says - capture and store it in complex and expensive retrieval systems - our view is different. We agree that it is vital to capture the outcomes of learning - by encouraging the learner to apply their work - then and only then, we aim to connect the learner's experience (of doing and applying) to an informal knowledge network. The point of this is to obviate the need to create and sustain central databanks of 'knowledge'. We feel it is better for the knowledge to be applied and used in the business and for its originator to be available as an internal consultant on successive projects.

Article series key point summary:

1. This article series has argued that the skills and knowledge of an energized workforce can be fully engaged in the process of turning strategic thinking into daily action. Organizations that genuinely see people development as interdependent with strategy execution are best placed to achieve the right blend of dynamic stability. In this kind of organization, employees want to contribute and see the results of their efforts. They can do this by learning at work and comparing outcomes in an open, collaborative work culture.
2. It is clear that a case is needed if the workforce is to be actively encouraged to combine learning and work. The short term benefits are easy to discern but what about the longer term? A knowledge-based view is a community that is skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights. This perspective emphasizes the development and use of organizational capabilities to create higher-valued information and knowledge and to improve bottom-line results.
3. Anecdotal evidence suggests that organizations that learn the lessons of experience are more likely to be successful than those which continue to re-invent the wheel, repeating past mistakes along the way. In this sense, organizational learning can be viewed as a way of learning from experience, and here, learning is a key tangible asset, especially when knowledge transfer occurs. Essentially then, it is the ability to capture learning outcomes from within and from outside the organization and to learn from prior experience that makes the difference. But from a team/group perspective, participants may be reluctant to share knowledge if they fear criticism from their peers, or recrimination from management. One way to overcome this is to use an action learning approach, combined with recognized professional qualifications as it encourages learners to share openly with each other in small groups - not once, but continuously.
4. It is vital to capture the outcomes of learning by encouraging the learner to apply their work - then and only then, to connect the learner's experience (of doing and applying) to an informal knowledge network. The point of this is to obviate the need to create and sustain central databanks of 'knowledge'. It is better for the knowledge to be applied and for its originator to be available as an internal consultant on successive projects.