

Organisational Learning for Successful Companies

By Hubert K Rampersad

An organisation is more successful if its employees learn quicker, implement and commercialise knowledge faster than the competition's workers. An organisation that is unable to continuously develop, share, mobilise, cultivate, put into practice, review, and spread knowledge will not be able to compete effectively. That is why the ability of an organisation to improve existing skills and acquire new ones forms its most tenable competitive advantage. This article introduces a knowledge management quick scan to measure this ability.

KNOWLEDGE is a function of information, culture, and skills:
<Knowledge> = f (<Information>, <Culture>, <Skills>)

The function <f> specifies the relationship between knowledge on the one side and information, culture, and skills on the other. In this context *information* comprises the meaning given to data or information obtained according to certain conventions; this is also known as explicit knowledge (Nonaka & Takeuchi, 1995). On the one hand, *culture* is the total amount of standards, values, views, principles, and attitudes of people that underscore their behaviour and functioning. On the other hand, skills are related to the capability, ability, and personal experience of people; they relate to what people can do, know, and understand.

The knowledge components culture and skills represent *implicit knowledge*, which depends on the individual and is stored in the minds of people. This concept is based on experience, is practical in nature, and finds its source, among other things, in associations, intuitions, and fantasies.

Explicit knowledge, on the contrary, is not dependent on the individual, is theoretical in nature, and is specified as procedures, theories, equations, manuals, drawings, etc. This knowledge is mainly stored in management information and technical systems, and organisational routines. How can knowledge be transformed into new behaviour? Thus, how can people learn effectively so that they can function better? If knowledge is to lead to competent action, then learning should receive special attention, and the organisational culture and structure should stimulate and support this.

Knowledge ages rapidly and is liable to wear. Learning is a continuous personal transformation. It is a cumulative process of the continuous actualisation of your knowledge, in order to change your behaviour so you can function and act better. It is a permanent change in your knowledge and behaviour partly due to repeated experiences. The intention is improving the quality of your thinking and acting.

In view of the increasing shift from lifetime employment to lifetime employability, people must make sure that their knowledge is up-to-date. An organisation is more successful if its employees learn quicker, and implement and commercialise knowledge faster than the competition's workers.

An organisation that does not learn continuously and is not able to continuously develop, share, mobilise, cultivate, put into practice, review, and spread knowledge will not be able to compete effectively. That is why the ability of an organisation to improve existing skills and acquire new ones forms its most tenable competitive advantage. It is, therefore, imperative to constantly know which knowledge is essential, where it is available in the organisation, which associate possesses this skill, how this knowledge can be adequately utilised, how it can be shared, how this provides added value, and how it can be maintained.

The organisation's knowledge infrastructure must be organised so that effective team work, creativity, positive thinking, self confidence, and a good learning environment are stimulated by the

use of computers, the Internet and intranet, design of a knowledge-bank, presence of a library, continuous training, organisation of brainstorm sessions, and review meetings.

The ability of an organisation to learn by experience depends on the employees' willingness to think about problems, about the opportunity presented to associates to identify and solve common problems together, the willingness to intervene preventively, and the existence of a working atmosphere where every employee feels responsible for the company's performance. In practice, organisations especially seem to learn if employees have a sense of direction through a collective ambition (mission and vision), and work with all their might to realise this ambition. Because of this, employees feel a strong common bond, which motivates them to learn together. Under these inspiring circumstances, they are also willing to share their knowledge with their colleagues and match their personal objectives with the ones of the organisation. Through this, learning organisations emerge in which learning is collective and based on a personal and collective ambition.

Learning organisations have the ability to learn and facilitate all facets of the learning process and thus continuously transform themselves. Such organisations consist of teams with balanced learning styles, and people whose personal ambition corresponds to that of the organisation. Because of this, they have a positive attitude towards improving, changing, and learning.

Learning organisations also consist of people who constantly learn from their own mistakes, share knowledge and communicate openly with each other. These organisations have leaders who coach, help, inspire, motivate, stimulate, and intuitively make decisions, and have processes that are constantly reviewed based on performance measures and feedback.

The management of the knowledge stream within the organisation is essential for this, as well as changing the way we think and deal with each other. According to Peter Senge (1990), people must give up their traditional way of thinking, have to develop their own skills and be open to change, understand how the whole organisation functions, and formulate the shared vision of the organisation together to try to fulfill this ambitious dream as a team. These basic elements of learning organisations are also based on people's experiences. In practice it shows that the tempo with which the abilities of an organisation increase are to a greater degree determined by the efficiency with which one learns from experiences. In order to obtain an optimum learning effect, people should have a certain educational level and specifically get the chance to acquire experience; this is because people with experience learn faster. Therefore, it is important to accept that every employee is able to learn and is motivated to do so, that learning is not a passive but active and continuous process and that associates need guidance in this process.


Knowledge Management Quick Scan

In order to increase organisational learning ability, insight is also needed in the present knowledge and learning situation and related organisational barriers. For this purpose I introduce a knowledge management audit, shown in *Table 1*, consisting of 50 statements regarding your organisation's knowledge and learning orientation, divided in the dimensions: general, leadership style, strategic vision, internal processes and human resources (Rampersad, 2002).

It is recommended, based on this checklist, to judge the orientation in relation to organisational knowledge and learning and to check as a team why this is characteristic for your organisation. For this purpose answer the assertions in this table, using the scores 1 to 4. Add these scores vertically. The closer your total score gets to 200, the more knowledge intensive your company is. A comparably high score is related to a learning organisation with a large learning ability. The closer your total score is to 50, the smaller the organisational learning ability. Discuss your scores in your team and indicate what could have been done better here.

The executive team of Business Jet (an airline company for business people) completed this quick scan in order to comply with the corporate knowledge and learning perspective in their balanced scorecard. The shared evaluation results are marked with green background in the table. The total score seemed to be 138 points; this implies that, in the area of knowledge management,

something still needs to be done before Business Jet can be classified as a full-fledged learning organisation. Statements with a score of 1 and 2 in the table form improvement actions.

Table 1: Knowledge Management Quick Scan		<i>© H Rampersad</i>			
					
Business Jet's shared evaluation					
GENERAL					
Making mistakes is allowed; failures are tolerated and not penalised. People learn from each other's mistakes, and errors are openly discussed.	1	2	3	4	
Employees know where particular knowledge can be found in the organisation and it is transparent to everyone who knows what.	1	2	3	4	
Employees get the space to think, learn (consciously as well as subconsciously), act, make informal contacts, gain experience, experiment, and take risks.	1	2	3	4	
Management information systems are integrated and continually updated.	1	2	3	4	
The necessary knowledge for important decisions is usually readily available and easily accessible.	1	2	3	4	
There are no barriers for the use and exchange of knowledge.	1	2	3	4	
Employees have the skills to adequately categorise, use and maintain knowledge.	1	2	3	4	
The organisation has a network of knowledge workers.	1	2	3	4	
The organisational structure is simple, has few hierarchical levels, and consists of autonomous units.	1	2	3	4	
The organisation is characterised by diversity (people with different cultural backgrounds and learning styles), a planned as well as intuitive approach, etc.	1	2	3	4	
There is an active programme for developing ideas. Based on this, new knowledge is continually generated.	1	2	3	4	
There is no competition between colleagues. Internal competition is not stimulated.	1	2	3	4	
In the organisation there does not exist an atmosphere of fear and distrust.	1	2	3	4	
LEADERSHIP STYLE					
Top management is committed to enlarging learning ability and creating a learning organisation.	1	2	3	4	
Employees are continually stimulated and encouraged to identify and solve shared problems as a team, brainstorm to generate creative ideas and share these with each other.	1	2	3	4	
Managers have the knowledge important to organisational success	1	2	3	4	
Managers fulfill the styles coaching, inspiring and serving leadership in an optimal mix. They stimulate a fundamental learning attitude, intensive knowledge exchange and internal entrepreneurship, and promote individual as well as team learning.	1	2	3	4	
Managers are continually focused on developing and mobilising employee knowledge and regularly give constructive feedback about attempted improvement, development, and learning actions.	1	2	3	4	
Managers use simple oral and written language, are action oriented, and facilitate the process "learning by doing."	1	2	3	4	
Management knows which employees are the carriers of valuable and scarce knowledge. Sources of internal expertise have been mapped out.	1	2	3	4	
A knowledge manager, one who coaches and facilitates the learning processes, has been appointed. His most important skills are: understanding, processing,	1	2	3	4	

communicating and modifying knowledge.				
STRATEGIC VISION				
Knowledge management is a strategic theme that is part of the organisational ambition.	1	2	3	4
There is continuous collective learning to develop the core competences of the organisation.	1	2	3	4
There are a minimum of four knowledge and learning objectives and related performance measures formulated in the corporate scorecard.	1	2	3	4
Managers have formulated a minimum of three knowledge and learning objectives and related performance measures in their Personal Balanced Scorecard aligned to organisational ambition.	1	2	3	4
Customer information is considered strategically valuable.	1	2	3	4
INTERNAL PROCESSES				
Employees do not hoard knowledge but share it spontaneously with each other. Individuals, teams and business units systematically and intensively exchange knowledge with each other.	1	2	3	4
Knowledge growth is promoted through the organisational culture. This is a culture characterised by simplicity, open-communication, and doing instead of talking too much.	1	2	3	4
Problems are integral and are tackled methodically by a systems approach. For this purpose, procedures are drafted and used routinely.	1	2	3	4
Knowledge gaps are systematically and continually mapped out and measures are taken to narrow and eliminate them.	1	2	3	4
Relevant implicit knowledge is (as far as possible) made explicit through images and metaphors, reviewed, spread throughout the organisation, and intensively exchanged.	1	2	3	4
User friendly communication and information systems are used to broadly spread knowledge among all employees.	1	2	3	4
Obtained and developed knowledge is continually documented and made available to everyone in the organisation.	1	2	3	4
Employees with valuable and scarce knowledge rotate among different business units and participate in a variety of improvement teams.	1	2	3	4
There is a learning environment characterised by positive thinking, self-esteem, mutual trust, willingness to intervene preventively, taking responsibility for business performances, openness, enjoyment, and passion. Employees are urged to continually study how they work and adjust it if needed.	1	2	3	4
The learning processes are initiated and guided by existing or expected problems. Problems are seen as a chance to learn or change. Conflicts are seen as unsolved challenges.	1	2	3	4
People work and learn together harmoniously in self-guiding teams. Here team members have knowledge overlaps, a balance of personalities, skills and learning styles, and knowledge about their own favourite learning style and that of colleagues.	1	2	3	4
Knowledge is constantly being implemented and incorporated into new products, services, and processes.	1	2	3	4
Benchmarking is done systematically to gain knowledge. Best practices within and outside the organisation are identified and propagated internally. That which is learned is generalised.	1	2	3	4
Knowledge and learning indicators are measured constantly and used as the starting point for process improvement.	1	2	3	4
Organisational knowledge is shared through informal contacts, internal lectures, conferences, problem solving and project review meetings, dialogue sessions, internal rapports, memos, etc.	1	2	3	4
Knowledge sharing is facilitated through internet, intranet, library, comfortable meeting rooms, auditorium, computerised archive, and documentation system, etc.	1	2	3	4
Employees have varied and challenging work. There is task rotation.	1	2	3	4

HUMAN RESOURCES				
Job appraisal is explicitly linked to the personal ambition of individuals and the shared ambition of the organisation.	1	2	3	4
Managers and employees are judged by what they do, not on how smart they seem and how much they talk.	1	2	3	4
Employee knowledge is developed constantly and kept up-to-date by means of training, coaching and talent development programmes.	1	2	3	4
There is a proactive competence development policy, which includes internal and external training, courses, working conferences, symposia, and seminars.	1	2	3	4
Knowledge and learning competences are part of every employee's competence profile.	1	2	3	4
The knowledge of departing employees is passed on to successors.	1	2	3	4
Employees who deliver collective learning performances for the sake of the entire organisation's well-being and constantly share their knowledge with colleagues are rewarded extra and have more promotion opportunities.	1	2	3	4
				Total score: 138
points				
Circle the correct number: 1 = never/no/not correct 2 = once in a while/a little/less 3 = frequent/usually 4 = always/yes/correct				
Remarks/Suggestions: improve localising of knowledge, improve availability and accessibility of knowledge, optimise organisational structure, develop leadership skills, create more insight with management about those who carry valuable and scarce knowledge, increase learning efforts, stimulate employees to share knowledge with each other and exchange it intensively, stimulate knowledge exchange between teams and business units, systematically map out and remove knowledge gaps, make relevant implicit knowledge explicit, improve user friendliness of information and communication systems, improve learning environment, develop competence policy and convey knowledge of departing employees to successors.				

Literature

Nonaka, I & H Takeuchi, *The Knowledge-creating Company*, Oxford University Press, New York, 1995.

Rampersad, HK, "Increasing Organisational Learning Ability Based on a Knowledge Management Quick Scan", *Journal of Knowledge Management Practice*, Vol 3, Management Learning Processes, Canadian School of Management, Oct 2002.

Total Performance Scorecard; een speurtocht naar zelfkennis en competentieontwikkeling van lerende organisaties, Scriptum Management, Schiedam, October 2002.

_____, *Total Quality Management; an executive guide to continuous improvement*, Springer-Verlag, New York, February 2001.

_____, "The links between individual learning, collective learning and ethics", *Training and Management Development Methods*, Vol 17 No 1, UK, 2003.

_____, *Total Performance Scorecard; Redefining Management to Achieve Performance with Integrity*, Butterworth-Heinemann Business Books, Elsevier Science, Massachusetts, May 2003.

Senge, PM, *The Fifth Discipline: The Art and Practice of the Learning Organisation*, Doubleday, New York, 1990.

Dr Hubert Rampersad is president of QM Consulting in the Netherlands. The article is based on his new book, *Total Performance Scorecard; Redefining Management to Achieve Performance with Integrity*, Butterworth-Heinemann Business Books.