

Does action learning really help the business?

Who implements strategy?

In our view, a 'strategy' constitutes a framework for inspiring activity designed to help the organization to move towards desired outcomes. In an era of relentless change a willingness to explore new ways of connecting employee readiness to the strategic goals of the business now exists. Above all, an investment in accredited action learning is most likely to yield a high return, especially if it is set in the context of an internalized structure, such as a corporate business school or university with a single-minded focus on strategy implementation. Here the skills and knowledge of an energized workforce can be fully engaged in the process of turning strategic thinking into daily action.

It can be argued that organizations who genuinely see people development as interdependent with strategy execution are best placed to achieve dynamic stability in the medium term. The logic here is loyal 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 business 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 a place that appeals to high performers.

So, the question is who implements strategy? The answer must be that the workforce as a whole can and should all play a part. If learning at work is encouraged and supported, then why not? Credible leaders and influencers will almost certainly support this approach when they understand their role in modelling the process and leading by example. It is unusual to find the human resource function leading or even playing an active role in strategy execution and unless organizational learning spans leadership, learning and strategy implementation, these core activities will run independently of one another.

Why capture the outcomes?

It is clear that a business case is needed if managers are 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 probably only sponsors learning in the first place 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. In summary, as King puts it: better knowledge for better behaviour for better performance'.

Anecdotal evidence also 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 becomes 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 associates to share openly with each other in small groups - not once, but continuously.

One viewpoint is that organizational learning and knowledge management overlap with each other and yield maximum gain when used together. Here perhaps, the old saying that 'experience is the best teacher' rings true. An organizational activity, such as the problematic launch of a new product, a business breakthrough, a downsizing crisis, or a merger, is also a unique opportunity to learn from experience and even hindsight. Yet, few organizations run de-brief evaluations, let alone a structured review to identify and codify the outcomes. So, if the same or similar happens again, will the same mistakes be made all over again?

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. In our experience, this is impractical and ultimately unhelpful. 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 associate'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.

Our formative work in the UK clearly demonstrates the power and potential to internalize, accredit and certify action learning at work. The cameo profiles contained in **Table 1** reflect the breadth and depth of what can be accomplished, in this case by enabling senior managers to combine personal learning and career development with strategic project work. In all cases, participants were able to accumulate credit by producing outputs that they were then able to apply, with the support of their peers, colleagues and respective work teams. All the participants felt that this was a 'smarter' way of working that enabled them to work on immediate business challenges, work on their own competencies, explore 'next step' career options and gain a Master's qualification, wholly related to the implementation of strategy.

Table 1: Creating internal knowledge networks based on the outcomes of accredited learning at work

Divisional finance director

Led an internal task group review of management reporting and used his own work to help develop common reporting procedures and streamlined requirements. As an outcome, he was seconded to lead a finance and systems integration project, a strategic role, tasked to recommend the best finance and systems structure for the future. He became finance director of a major UK division.

Divisional operations director

Focused on the development of a new strategic direction for motorway restaurants, with a range of applications now in use. His experience has cascaded to his whole team via a 'managing people strategy' As an outcome he has become a more reflective practitioner, routinely drawing on research and other data to back-up own experience and intuition.

Divisional commercial director

Focused on e-procurement and its likely implications for the Group supply base. Outputs included the development of an electronic marketplace - a new income stream activity - as well as additional purchasing volume growth in the UK. This work led to an invitation (among others) to join a DTI consultative committee on e-procurement.

Divisional managing director

Two key projects have had substantial impact - the first concerned the introduction of a roadside division intranet where his own research on this topic helped ensure continuity of involvement. The second focused on the development of a new concept and the subsequent brand ownership issues. These outcomes led to a divisional MD appointment.

Divisional commercial director

Implemented work included a review of the 'business category' management process and key elements of the supply chain and a detailed review of a roadside franchise opportunity with external retailers. Tangible outcomes have included improved sales and profits (franchised retailing) and improved brand management, with new retail offers and delivery support.

Source: Accrediting Managers at Work in the 21st Century, Richard Teare & Gordon Prestoungrange, Prestoungrange University Press, 2004.