

Creating a Culture for Organization Learning and Agility

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Baldrige Core Values and Concepts

The Criteria are built on the following set of interrelated core values and concepts:

- Agility
- Organizational and personal learning

The term “learning” refers to new knowledge or skills acquired through evaluation, study, experience, and innovation.

The Baldrige Criteria include two distinct kinds of learning: organizational and personal.

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What is a Learning Organization?

“A learning organization is an organization skilled at creating , acquiring, and transferring knowledge, and at modifying its behavior to reflect new knowledge and insights.”

David A, Garvin
 “Building a Learning Organization”
 Harvard Business Review on Knowledge Management ,1998

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Baldrige Criteria - learning

P.2 ORGANIZATIONAL SITUATION

Performance Improvement System

- What are the key elements of your performance improvement system, including your evaluation, **organizational learning**, and innovation processes?

1.1 SENIOR LEADERSHIP

1.1a.(3) Creating a sustainable Organization.

How do senior leaders achieve the following?

- create an environment for **organizational and workforce learning**
- participate in **organizational learning**, succession planning, and the development of future organizational leaders

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Baldrige Criteria - learning

4.1 MEASUREMENT, ANALYSIS, AND IMPROVEMENT OF ORGANIZATIONAL PERFORMANCE

c(1) Best-Practice Sharing

- How do you use performance review findings to **share lessons learned and best practices** across organizational units and work processes?

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Baldrige Criteria - learning

5.2 Workforce Engagement

c(1) Learning and Development System

How does your learning and development system address the following factors for your workforce members and leaders?

- your organization's core competencies, strategic challenges, and accomplishment of its action plans, both
- short-term and long-term organizational performance improvement and innovation
- ethics and ethical business practices
- customer focus
- their learning and development needs, including those that are self-identified and those identified by supervisors, managers, and senior leaders
- the transfer of knowledge from departing or retiring workforce members
- the reinforcement of new knowledge and skills on the job

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Baldrige Criteria - learning

5.2 Workforce Engagement

(2) Learning and Development Effectiveness

- How do you evaluate the **effectiveness and efficiency of your learning** and development system?

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ISO 9001:2008 QMS Requirements

6.2.1 General

Personnel performing work affecting conformity to product requirements shall be competent on the basis of appropriate education, training, skills and experience.

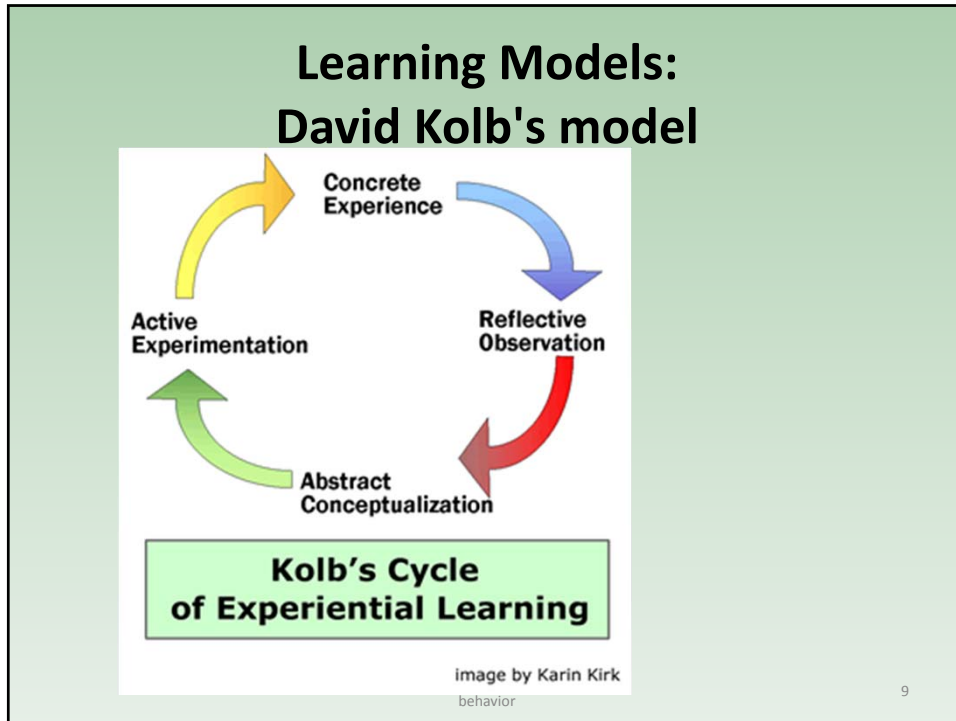
6.2.2 Competence, training and awareness

The organization shall

- a) **determine the necessary competence for personnel** performing work affecting conformity to product requirements,
- b) where applicable, provide training or take other **actions to achieve the necessary competence,**
- c) **evaluate the effectiveness of the actions taken,**
- d) ensure that its personnel are aware of the relevance and importance of their activities and how they contribute to the achievement of the quality objectives, and
- e) maintain appropriate records of education, training, skills and experience (see 4.2.4).

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Learning Models: Anthony Gregorc's model

Self-scoring written instrument that elicits responses to a set of 40 specific words.

1. *Concrete Sequential*
2. *Concrete Random*
3. *Abstract Sequential*
4. *Abstract Random*

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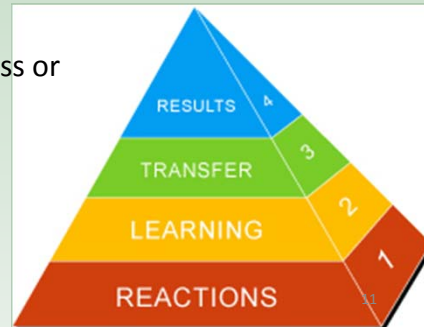
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Donald L Kirkpatrick's Training Evaluation Model

It measures:

- Reaction of student - what they thought and felt about the training
- Learning - the resulting increase in knowledge or capability
- Behavior - extent of behavior and capability improvement and implementation/application
- Results - the effects on the business or environment resulting from the trainee's performance

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Defining Knowledge

“Never let formal education get in the way of your learning”

Mark Twain

- Tacit Knowledge vs. Explicit Knowledge

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Creating and Gathering Knowledge

Two approaches:

1. Databases (explicit)
2. Interaction - sharing knowledge directly from person to person (tacit)

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What is your Strategy?

Knowledge Management and Organizational Learning Strategy .

Effective firms focus on only one strategy and use the other in a supporting role.

Organizational strategy depends on how the company serves its:

1. Customers
2. The economics of its business
3. Type of people it hires

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Organizational Learning & Knowledge Management Strategy

1. Creating and Acquiring Knowledge
 - “Know what you know”
 - Existing local knowledge within the company
 - Identify valuable knowledge
2. Transferring Knowledge
3. Using Knowledge
 - Modify behavior
 - Effectiveness of learning
 - Distribute!

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Characteristics of a Learning Organization

Tacit knowledge is turned into explicit knowledge
Incorporate it into new products and services

1. Systematic problem solving
2. Experimenting
 - incentives to take risks
3. Learning from past experience
 - lessons learned
 - open to criticism

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Characteristics of a Learning Organization

4. Learning from others
 - “enthusiastic borrowing”
 - culture of attentive listening
 - benchmarking
5. Transferring knowledge
6. Providing Incentives
 - performance reviews
 - contribution to and utilization of the knowledge asset of the company
 - direct help given to coworkers

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Databases for Organizational Learning

- Employees provide the information not management
- Information is vetted
- Good tips earn positive recognition
- Save the company \$\$\$!

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Interactions

- Communities Of Practice (COP)

- Relatively new term to enter the business vernacular
- A group of people informally bound together by shared practice, passion for a joint activity.
- Rich in tacit knowledge
- Existed for centuries
- Current examples: ASQ, Baldrige forums, CEO roundtables
- Go to Breakfast!



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Using COPs for Organization Learning

- Nurture COPs that enhance a company's strategic capabilities
- Provide recognition
 - Provide infrastructure and resources to apply their expertise effectively
 - Provide official sponsors and supporting teams
- Incentivize COPS

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Advantages of COPs

- Share best practices
- Solve problems together quickly
- Develop/enhance professional skills
- Help companies attract and retain talent
- Drive strategy/create new business lines

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Single Loop Learning

- Do not get people to look at their own work and reflect on their work, behavior, and attitude.
- Does not accept personal responsibility.
- Examples: surveys, focus groups, management by walking around, town hall meetings, etc.



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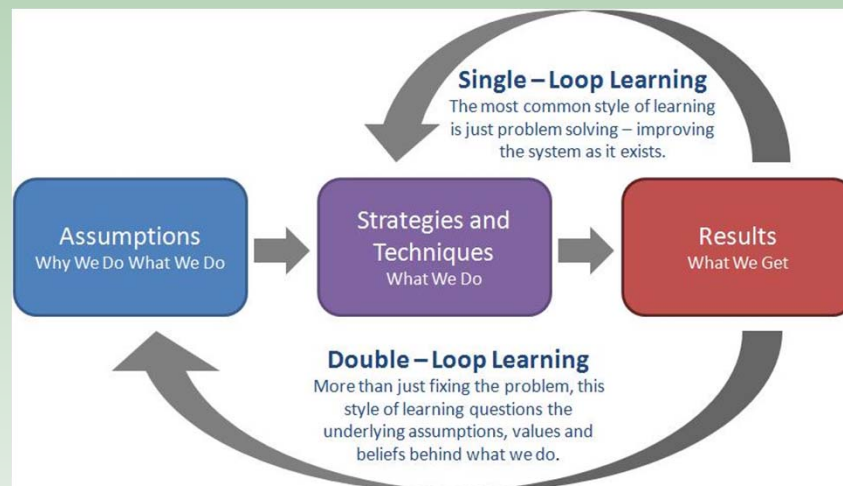
Double Loop Learning

- Turns the question back on the questioner.
- Questions one's own assumptions and behavior.
- Not only questions the facts but also about the reasons and motives behind those facts.

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Double Loop Learning



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Storytelling

- We all tell stories
- Mode to transfer tacit knowledge
- Presents actions sequentially and casually (this happened because of that).
- Variations between actual practice and documented process.
- Powerful way to understand what happened and why.
- Helps employees to collaborate informally – for their independent work.

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Create Redundancy

- Create redundancy – encourages frequent dialog and communication
- Enables transferring tacit knowledge and explicit knowledge
- Rotating employees
- Access to information

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Measuring Learning

Tools to measure for the three (3) stages of learning:

1. Cognitive
2. Behavioral
3. Performance improvement

Use nontraditional methods to assess learning

Other methods:

- Number of new successful products
- Quality of products and services

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ORGANIZATIONAL AGILITY



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Explaining Organization Agility

- Ability to adapt quickly, flexibly, and effectively to changing requirements.
- Rapid change from one product to another
- Rapid response to changing demands or market conditions
- Ability to produce a wide range of customized services
- Involves decisions to outsource, agreements with key suppliers, and novel partnering arrangements.

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Baldrige Criteria

1.1 Senior Leadership

(3) Creating a sustainable Organization

How do senior leaders achieve the following?

- **Create an environment for** Organizational performance improvement, the accomplishment of your mission and strategic objectives, innovation, performance leadership, and **organizational agility**

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Baldrige Criteria

2.1 Strategy Development

b(2) Strategic Objective Considerations

- How do your strategic objectives enhance your **ability to adapt to sudden shifts** in your market conditions?

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Baldrige Criteria

4.1 Measurement, Analysis, and Improvement of Organizational Performance

a.(4) **Measurement Agility**

- How do you ensure that your performance measurement system is able to respond to rapid or unexpected organizational or external changes?

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Baldrige Criteria

6.2 Work Processes

a. Work Process Design

(1) How do you incorporate new technology, organizational knowledge, product excellence, and the **potential need for agility into these processes?**

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Agility Types

- Strategic
- Operational
- Portfolio
- Process and Systems

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Characteristics Of An Agile Organization

- Leadership
- Good pulse
 - Knowledge and awareness of the environment
- Knowing the triggers
 - organizational measurement systems
 - Correct measurements
 - Frequency of measurements

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Characteristics Of An Agile Organization

- Strategic planning process
 - Frequency
 - Rigidity
- Work processes and systems

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Obstacles to Agility

Internal barriers stall agile change efforts.

More than 80% of survey respondents have undertaken one or more change initiatives to improve agility over the past three years ---- yet **34%** say they have failed to deliver the desired benefits.

- Leadership
- Slow decision-making
- Conflicting departmental goals and priorities
- Risk-averse cultures
- Silo-based information

Reference: Economist Intelligence
Unit Briefing Paper

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Agility as a Core Differentiator

- ~ 90% of executives believe that organizational agility is critical for business success.
- 50% of CEOs and CIOs agree that rapid decision-making and execution essential to a company's competitive standing.

Massachusetts Institute of Technology (MIT) suggests that agile firms grow revenue 37% faster and generate 30% higher profits than non-agile companies.

Reference: Economist Intelligence
Unit Briefing Paper

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Agility – a competitive necessity!

Most companies admit they are not flexible enough to compete successfully.

- 27% say that their organization is at a competitive disadvantage because it is not agile enough to anticipate fundamental marketplace shifts.

Reference: Economist Intelligence
Unit Briefing Paper

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END OF PRESENTATION!

Thank you for being such a great audience! I'm sure coffee and sugar helped!



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