

Index to Measure Organizational Learning

Sounak Bandyopadhyay¹, Raj Kumar²

¹Department of Management, BITS Pilani

²Indian Institute of Management, Udaipur

Abstract -In this paper, we described an approach on framing an index to measure organizational learning and to measure individual knowledge points. To measure organizational learning index, we framed key parameters like People which included sub parameters like workforce development(through training), involvement in improvement activities, K-points(pride in learning),etc then Process which included sub parameters like Systems / Processes (Procedures, SOPs (Standard Operating Procedures)) revision and availability, Domain Specific codified standard documentation and availability, etc and then Governance which included sub parameters like SLT(Strategic Leadership team) engagement in KM(Knowledge management) communities, PIT (Performance Improvement Team), Spent on org. learning (Training expenditure, knowledge management expenditure), etc and then Impact which included Savings from adoption of Best practices, Chronic problems solved / Improvement in Key performance indices, International/National awards at Enterprise level etc. and subsequent weightage is provided to all parameters based on importance in regards with organizational learning and individual key performance indicators to measure and formula has been framed for each sub parameters. Finally for measuring knowledge points we have framed around 24 key elements and framed key performance indicators to allocate points based on create, seek, apply and transform and individual would be classified as Youngling, Apprentice, knight, master and grand master based on total average point.

Key Words: organisational learning, knowledge management

1.INTRODUCTION

In his famous quote, Lew Platt, former CEO of Hewlett-Packard, once said: "If HP knew what HP knows, we would be three times more productive."

It perfectly sums up the importance of organizational learning. It is important that the organization ensures that the knowledge gained from the process of success or failure is retained within the organization and is transferable. Knowledge acquired by individuals cannot be properly retained, as individuals can leave, taking their knowledge with them. Embedded knowledge can be kept within the organization and shared with all individuals. An organization that embraces the lessons that can be learned from failure and

studies its own processes will be an organization that contains more knowledge about best practices, and will be much more able to adapt.

By creating an environment where all employees are teachers and students, there is an equal exchange of information that allows each person to contribute in a substantial manner.

In this document, we have tried to put a few key performance indicators to measure the organizational learning Index which allows us to capture multi-dimensions of the learning process involved in an organization.

In some sense, this document is unique in terms of the approach that we took. Most of the literature on organizational learning index are based on opinion/survey of the different stakeholders of an organization which could have its own share of subjectivity. Our approach has been to devise an index where subjectivity could be kept to minimum while focusing more on the facts and data.

2. Working Methodology

Working Methodology to measure organizational learning index:

- (i) Framing key parameters including people, process, governance and impact and allocating respective weightage (People-25%, Process-30%, Governance-20%and Impact-25%) based on importance in regards with organizational learning.
- (ii) Framing sub-parameters each for people, process, governance and impact. For e.g.in people (25% weightage), it is further divided in to sub parameters like training sessions to measure the knowledge and skills gained by learners, people's involvement in Improvement activities, measuring knowledge points(K-Points) for individual.
- (iii) Each sub-parameter further divided into different key performance indicators to measure and weightage has been split based on importance with regards to its respective key element. For e.g. in people parameter, people's involvement in Improvement activities (9%) has two key performance indicators divided into attendance rate in group discussion, average hours worked for

improvement activities(Projects, Kaizens etc.),number of improvement tasks accomplished which has weightage of 4% and total benefits in monetary terms has weightage of 5%.

- (iv) For each key performance indicators, we framed respective formulas to get the actual result and multiply with respective weightage to get overall weighted average for each sub-parameter and then we will perform another weighted average for key parameters based on the actual results of subsequent sub-parameters to get overall organizational learning index.

Working Methodology to measure knowledge points for individual:

- (i) Key elements relevant to measure knowledge points of individual has been framed and corresponding key performance indicators were provided for measurement.
- (ii) For each key elements, points have been given on the basis of **create**(knowledge pieces, knowledge sharing sessions, projects), **seek**(Expert advice asked and provided, referred earlier knowledge portals, citations(for authors), best seeking practice for implementation), **apply**(best practice application for relevant areas, consolidation of knowledge, key performance indicators improvement, best practice adopted by others(for originator)) and **transform**(standards(arising of CSAT(Customer Satisfaction) cycle), patents(resulted by k asset transformation), products/services and breakthrough innovation).
- (iii) For create, we have assigned 500 points, seek 100 points, apply 1000 points, and transform 5000 points and next we will on the basis of accumulated force points , people will be given badges as Level-1(Youngling), Level-2(Apprentice), Level-3(Knight), Level-4(Master) and Level-5(Grand Master), accumulated points will be redeemable through steel icon, criteria on accumulated points for getting recognized at Apex, Sponsor and Champion levels. (Minimum criteria for being awarded will be set up for getting awarded at Apex, Sponsor and Champion level).

Rules for measuring accumulated force points:

- (i) Gamification to motivate for participation in learning activities.
- (ii) Points will be accumulated over the year.
- (iii) There will be an upper limit on the points accumulated through “Seek” activities
- (iv) Experts and Learners will be rewarded in the integrated “Force points” structure across a range of activities.
- (v) Learners will be rated along the 5 levels, Expert will be rated in the top 3 levels i.e. “Knight, Master and Grandmaster” only.

Framework for organizational learning index are as follows:

We have framed the key elements along with their sub-parameters and provided corresponding weightage and formulas as below:

1. People

SL No.	Key Elements-Organisational Learning Index	KPIs to measure	Weightage(Out of 100%)	Formula
People (W-25%)				
1	Workforce development (through training)		8%	
1.1	Training sessions to measure the knowledge and skills gained by learners	Average number of training hours undertaken, Supervisor feedback	8%	$\Sigma(\text{No of Training hours given this year}) / \text{No of training hours given last year}^*$
2	Involvement in improvement activities		9%	
2.1	People's involvement in improvement activities	Attendance rate in group discussion, Average hours worked for improvement activities(Projects, Kaizens etc), number of improvement tasks accomplished,	4%	$\Sigma(\text{No of hours worked for improvement activities this year} / \text{No of hours invested last year})^* 100$
2.2		Total benefits in monetary terms	5%	(The monetary value generated by the qualified ideas this year/ Moving average of the monetary value in last 3 years)
3	K-Points (pride in learning)		8%	
3.1	Measuring knowledge points(K-Points) for individual	Avg No quality index of the knowledge contribution , Total number of K-points approved	8%	$\Sigma(\text{No of quality contribution to the knowledge portal this year} / \text{Exponential moving average of the quality contribution to the knowledge portal in last 3 years})$ Total number of K-Points approved this year/ Moving average of total number of K-Points approved in last 3 years)

2. Process

Process (W-30%)				
4	Systems / Processes (Procedures, SOP's..) revision and availability		18%	
4.1	Standard operating procedures revised and made available to the employees	Percentage of valid SOPs revised as per new procedures based on employees ideas in changing procedures and made available to employees (No of processes, the SOPs are available)	18%	No of Valid SOPs revised this year/ The exponential moving average of valid SOPs revised in last 3 years
5	Domain Specific (NMB, M&S, Procurement, Corp. Audit...) codified standard documentation and availability		12%	
5.1	Documents codified and made available to domain specific units/Departments	No of knowledge resources codified and made available for different stakeholders	12%	$\Sigma(\text{No of approved Knowledge resources codified this year}/ \text{Moving average of the no of Approved Knowledge resource in last 3 years})$

3. Governance

Governance (W-20%)			
6	SLT engagement in KM communities, PIT/ PIT, LEO...		8%
6.1	Engagement of SLT in knowledge management communities	Timely involvement of champions and practice leaders in review, assessment and discussions	8%
7	Spent on org. learning (Training exp., KM exp.)		12%
7.1	Value spent on organisational learning	Capability enhancement investment(spent)	12%

4. Impact

Impact (W-25%)			
8	Savings from adoption of Best practices		10%
8.1	Reduction in expenses related to operation and increase in profitability and efficiency	No of Best practices identified and Implemented	4%
8.2		Monetary benefits accrued by following the best practices deployment	6%
9	Chronic problems solved / Improvement in Key performance indices		8%
9.1	Chronic problems related to work processes identified and Solved	No of challenges worth solving identified, resolved and documented	8%
10	International/National awards at Enterprise level		7%
10.1	National/International awards acclaimed	Number of awards received (National/International) in Quality, sustainability, Innovation and other functions.	7%

Framework on measuring the contribution of individual on Knowledge management:

Index to Measure Knowledge Points			
SL No.	Key Elements- Knowledge points for individual	KPIs to measure	Points
1	Knowledge sharing sessions	Average number of posts related to knowledge management, conducting seminars and webinars per month in last one year	500
2	Knowledge Pieces	Average number of views, likes, shares per knowledge pieces of content uploaded in last one month	500
3	Expert advice provided	Frequency of expert advice provided	100
4	Expert advice asked	Frequency of expert advice Asked	50
5	Referred earlier KPs	Frequency of downloads/views of earlier KPs per day in last one month	100
6	Best practice seeking for implementation	Quantity of useful/improvement suggestions made on best practices incorporated to productive processes and/or products per month in last one year	100
7	Best practice application in relevant areas	Frequency of number of times best practices have been implemented in last one year	1000
8	Citations	No of times citation received	
9	Best practice adopted by others (With respect to originator)	Frequency of number of times best practice adopted by originator implemented by others in last one year	1000
10	Patents	Average number of patents published in last one year per month	5000
11	Generation of new ideas as a result of knowledge management	Number of contributions proven to have led to new/repetitive business	5000
12	Improvement in KPIs due to application of knowledge management	Net performance score(1-10) in present time period/ Moving average of previous NPS calculated last time periods.	1000

13	Participation rate in knowledge sharing sessions	Number of knowledge sharing sessions attended or Number of hours employees participate in workshops/seminars/knowledge activities per month in last one year	100
14	Consolidation of knowledge	Number of ideas from different knowledge resources consolidated to be implemented in improvement projects	1000
15	Knowledge Contributions rated as re-usable	Total number of contributions of originator rated as re-usable	1000
16	Contributions in the re-use database	Number of contributions in the re-use database related to total number of projects delivered in the market unit	1000
17	Standards	Present performance level with respect to past performances	5000

CONCLUSION

The objective of the exercise of developing an organizational learning index was to develop an integrated scale to measure learning at four different parameters –People, Process, governance and Impact– in an organization.

For all the four parameters, sub-parameters were developed and appropriate key performance indicators were assigned to capture the true essence. Given that the document is strictly based on the data, the chances of popping up subjectivity are limited. In the second exercise of developing key performance indicators to measure the individual performance in terms of knowledge creation, knowledge engagement and sharing, the focus was on understanding an individual journey and motivation for knowledge management.

FUTURE SCOPE

Understanding the Learning Index at organizational level is important, but measuring it for individual departments/teams is even more important to understand which of the unit needs more resource and personal attention. Which unit has been the star in learning?

Hence, the exercise on organizational learning index is not limited to an organization as a whole. In future, it could also be used to understand the learning levels at department/team level as well with some relevant changes in the key elements based on the particular team/department.

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BIOGRAPHIES



Sounak Bandyopadhyay

Master of Business Administration,
BITS Pilani
BTech Civil Engineering
PGDUPDL
Engineer-Construction(Leighton
India)



Raj Kumar

Master of Business Administration,
Indian Institute of management,
Udaipur
BTech Mechanical Engineering
Project Engineer: Jindal Steel and
Power limited