

The Challenge of Organizational Learning

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THE CHALLENGE OF ORGANIZATIONAL LEARNING

Disseminating insights and know-how across any organization is critical to improving performance, but nonprofits struggle to implement organizational learning and make it a priority. A recent study found three common barriers to knowledge sharing across nonprofits and their networks, as well as ways and means to overcome them.

BY KATIE SMITH MILWAY & AMY SAXTON

Illustration by Anna & Elena Balbusso

Reinventing the wheel—this well-worn phrase describes one of the oldest of human follies: undertaking a project or activity without tapping into the knowledge that already exists within a culture or community. Individuals are blessed with a brain that, some of the time, remembers what we've already learned—or at least that we've learned something. But what about organizations?

Consider the views of Kim Oakes, director of sharing and communities of practice at the Knowledge Is Power Program (KIPP), a national network of 99 charter schools serving 27,000 students via 1,900 teachers. Oakes told Bridgespan's research team: "We know that about 80 percent of our teachers create materials from scratch. ... It became increasingly important to connect our teachers, so that they could build upon one another's ideas rather than work in isolation."

Or consider World Vision, an international Christian development organization with an annual budget of more than \$2 billion operating in 93 countries. World Vision was facing the consequences of rapid growth. In the words of Eleanor Monbiot, its senior director for knowledge management: "We were growing at 10 to 15 percent a year. We had moved from everybody knowing each other vaguely, to a breaking point. ... The No. 1 need was to know what people were up to, where the best practices lay."

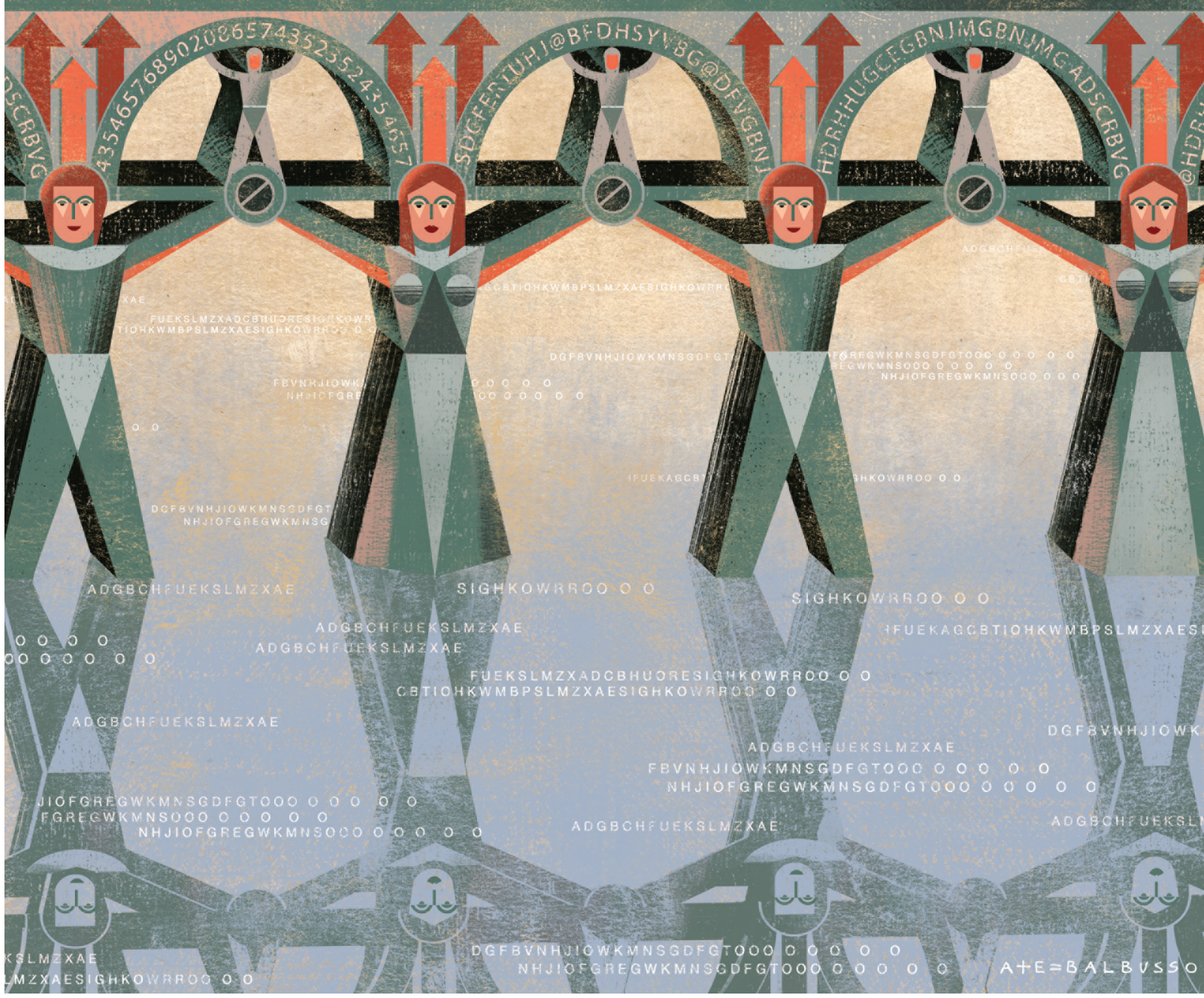
KIPP, World Vision, and a host of other nonprofits, large and small, are tackling the challenge of making their organizations as smart as the individuals who constitute them. In short, they are engaging in the hard work of organizational learning: *The intentional practice of*

collecting information, reflecting on it, and sharing the findings, to improve the performance of an organization.

Authors ranging from the late business historian Alfred D. Chandler Jr. to MIT Sloan School of Management senior lecturer Peter Senge have emphasized the value of knowledge and learning inside organizations. But, to use another well-worn phrase, this is easier said than done. In the fall of 2010, a Bridgespan Group team surveyed 116 nonprofits about how they learn—and how they translate the knowledge gained into practice, to increase their impact and fulfill their missions. We then explored these topics through interviews with more than half a dozen organizations, which were recommended by their peers for their innovative approaches to learning.

The results of the survey indicate that nonprofit leaders care deeply about capturing and sharing knowledge across their programs and fields. But they also identify three significant impediments to organizational learning: a lack of clear and measurable goals about using knowledge to improve performance; insufficient incentives for individuals or teams to participate in organizational learning activities; and uncertainty about the most effective processes for capturing and sharing learning. These issues also surface in for-profit organizations, according to outside studies, where knowledge hoarding between business units can result from competition for resources.¹ In the nonprofit sector, however, 97 percent of survey respondents said their leaders value knowledge sharing as a means to achieve their missions. Still, many of them struggle to do it well.

In this article, we look at the components of organizational learning; explore the challenges surrounding its goals, incentives, and



processes; and provide examples of organizations working to address barriers to sharing knowledge. In an age driven by technology and information, organizational learning has not just become part of the successful 21st-century nonprofit; increasingly, it is a key ingredient.

CREATING IMPACT THROUGH LEARNING

Developing organizational knowledge and integrating that knowledge into everyday practice can be a powerful tool for multiplying an organization's impact, especially as it grows. But a nonprofit doesn't have to be a multisite, multimillion-dollar agency, or even have a dedicated knowledge management function, to benefit from clear goals, incentives, and well-developed processes for organizational learning. If you train your staff, circulate meeting minutes, share programmatic best practices across sites, measure the impact of your programs, discuss metrics with your board of directors to inform decisions, or present your results at professional conferences, you are practicing knowledge management. Indeed, one of the tricky aspects of this topic is that learning-related activities are varied and can sit in many different parts of an organization. In some organizations the locus of activity is in staff training; for others it may be in impact assessment or performance management. Wherever learning sits, the key is that it be closely connected to the organization's mission and impact.

This connection is also the biggest challenge. Although 98 percent of nonprofit organizations reported in our survey that they collected a lot of information, a third of them said that they were unable to reflect on it and integrate it in a meaningful way into program activities. Our research tells us that to be intentional about organizational learning, organizations need to focus on doing four things well.² (See "Four Elements of Organizational Learning" on p. 47.)

First, leaders must champion organizational learning. They need to demonstrate their commitment by setting a vision and goals for learning connected to furthering the mission. And they must act as role models by participating in learning activities. Second, leaders need to foster a culture of continuous improvement that values organizational learning. The culture reinforces learning by providing incentives for learning behaviors and by measuring and communicating results of learning. Third, the organization needs to define a learning structure that specifies the people who are accountable for capturing, distilling, applying, and sharing knowledge. The structure also should include networks and coordinating tactics that help information flow among the people who need it, when they need it.

Last, the organization must design intuitive knowledge processes that are aligned to how people work. These processes specify how staff members define a learning agenda, and how they capture, distill, and apply knowledge. These processes also include the technology systems for exchanging knowledge, but they need to keep people-to-people interactions at the heart of them.³

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GAPS IN THE LEARNING CYCLE

More than 90 percent of the nonprofit leaders we surveyed reported that they care deeply about learning and actively strive to model knowledge capture and sharing within their organizations. And the majority appeared to be devoting significant resources to this work. The challenge, these leaders report, is defining clear goals for organizational learning, creating adequate incentives to invest the time it takes to capture and share knowledge, and designing intuitive processes that capture and disseminate knowledge.

The Goals Gap

The good news is that leaders say that they care a great deal about learning. But a third of the nonprofit leaders we surveyed report that their senior managers have not defined clear and compelling learning goals. And nearly six in 10 said they don't track metrics for learning at the organization level. Without clear goals and metrics, it becomes that much harder to effectively deploy knowledge resources, measure progress, and influence behavior across the organization. So how might nonprofit organizations set clearer goals for learning—goals that clearly advance mission?

World Vision considers its mission accomplished when children have access to education and health care, participate in their communities, and experience God's love in their lives. Following a period of fast growth, its leaders believed that rapidly sharing information on effective practices (and failures) from one field of operation to the next would be a key to changing children's lives. They translated the broader strategic goals of the organization into a subset of knowledge goals, including the goal of deploying best operating practices across all relief and field operations. And they broke this down into specific activities and tasks necessary to expedite know-how around the world for practices such as training community health workers in AIDS prevention and patient care, increasing yields for subsistence farmers, and boring wells in arid regions.

To devolve ownership of these goals across the networks, the organization focused on strengthening communities of practice (CoPs), virtual gatherings of far-flung World Vision experts in areas such as education, health, agriculture, and water, whose shared experiences could drive institutional learning and change. As of March 2011, World Vision had 23 CoPs with a combined membership of more than 10,000, all using a SharePoint Platform nested within the organization's global intranet. Each CoP is staffed with a senior leader, who listens to needs across fields and sets a responsive knowledge-sharing agenda, abetted by a dedicated administrator who manages and stimulates ongoing collaboration and discussion around key issues.

CoP members engage in different ways and groupings: Some plug in to listen and learn; others actively develop, review, and collaborate on global documents, including strategies and standards for their respective areas. Ongoing discussions take place around best practices, advice and support for applying them, and research proposals to find better answers. The CoP itself is the one place where members and broader management can find all the knowledge assets for a given sector, analyze them, and use them to manage change. Most CoPs also have regular WebEx meetings, where members can discuss issues in depth, as well as an annual meeting where a subset of members come face-to-face to share and strategize.

According to Monbiot, “We’ve had (CoPs) for years but they’ve been pretty informal. We’re trying to operationalize these and to ensure that all staff are involved.” Now that each of these communities has a formal leader—with a staffing allocation and administrative support—they are making strides. The health care CoP has been particularly successful, attracting 900 members in a matter of months, who now act as champions of effective primary health care practices throughout the system. Monbiot believes that clear leadership and goals are a factor in the group’s size and that most World Vision partner organizations have health specialists on staff hungry to share specific technical expertise.

Arizona’s Children Association (AzCA), a near century-old child welfare and behavioral health agency that links organization learning goals to its merger strategy, is another example of an organization that has achieved remarkable results because of its improved organizational learning process. Twelve years ago it decided to move beyond residential treatment for children, adding home-based supports and earlier interventions for families and children to its services. The organization pursued this expansion through mergers and acquisitions, growing its annual budget from \$4.5 million to \$40 million over 10 years. Throughout the process, AzCA not only acquired staff and programs—it acquired knowledge. As Fred Chaffee, president and CEO, told us: “We gain a nucleus of expertise because we got an agency and brought it in. ... Then growth occurred because we have a statewide system and a knowledge base.”

The results of carefully managing the learning and sharing of a knowledge base can be powerful. One AzCA acquisition was the New Directions Institute for Infant and Brain Development, which teaches the science of brain development and specific strategies caregivers can use to enhance children’s learning. AzCA integrated that knowledge into its other services through a series of 13 workshops that New Directions co-founder Jill Stamm and her staff have given to AzCA professionals—about 450 employees—to ensure that they understood the growing emphasis on prevention. To reinforce these ideas, the workshops mirrored community outreach to caregivers and were filled with messages from the neuroscience community

that apply directly to very young children and their families. Why teach youth workers about young children? Says Stamm: “Say, for example, a family has an out-of-control 10-year-old. Chances are they have a 2-year-old crawling around, too. We wanted all our staff working with youth to help ensure that the 2-year-old gets a better start and does not spin out of control.” The key is to understand root causes of behavior.

As a result of these workshops, says Stamm, AzCA professionals across Arizona began to incorporate prevention into their jobs. Some of the caseworkers in Prescott and Flagstaff changed their home visitation agendas to include discussions of children’s brain development. Now the regional AzCA offices always include the New Directions curriculum in their new-employee training, and New Directions is training caseworkers in four other states. Chaffee reports that the careful integration of personnel, budgets, and programs, as well as of knowledge from new organizations, has allowed AzCA to more than double the number of clients served and has reduced costs per beneficiary by 11 percent to as much as 40 percent. It’s also allowed AzCA to fundraise for merger efforts, because prevention can demonstrate payback in the cost and quality of a program.

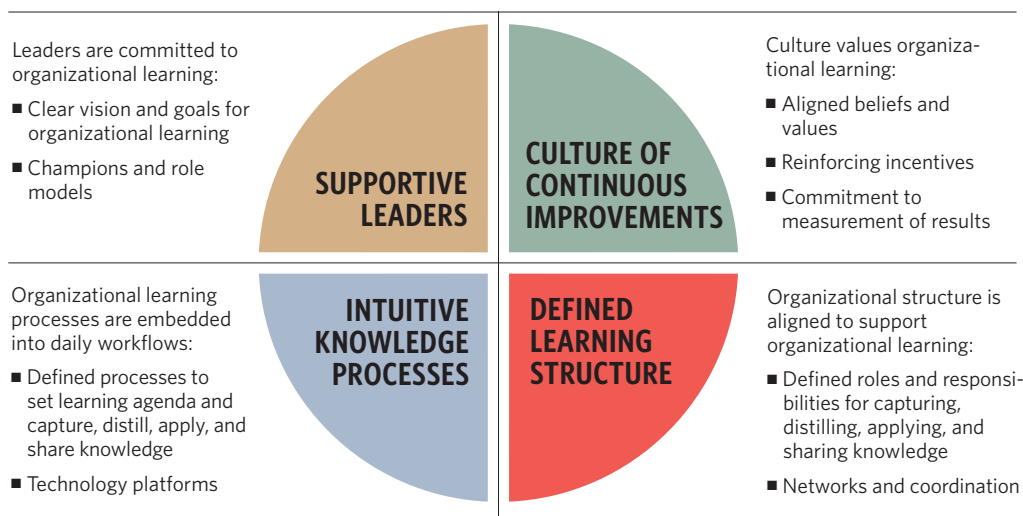
Smaller organizations, too, testify to the impact of clear learning goals tied to mission. Adoption Resources of Wisconsin (ARW) is a \$2.2 million statewide organization with 17 staff dedicated to finding a good, permanent home for every child in Wisconsin. It carries out its mission by offering information, training, and support to families and professionals and through ongoing advocacy work. The goal of its learning efforts is to determine which information and training is getting results for kids who need homes. For ARW, this means learning how many people are seeking information from them, what they’re looking for, and whether the information is meeting the needs of adoptive parents or their intermediaries. According to CEO Colleen Ellingson, “We have a massive database, where we log how we’ve serviced anyone over the existence of our organization. We have 60,000 unique visitors per year. Every month we’re looking at data on website usage. What are [current or prospective parents] looking at? What aren’t they

looking at?” Program managers study these usage patterns to identify trends and respond to them, continuously improving their services.

Getting the technology right took time. ARW started with several, small, customized data systems in the mid-1980s. Five years ago, it migrated to the DeFran data system to track greater volumes of data. Throughout, Ellingson has promoted technology investments as a way to learn more, reduce cost, monitor progress, and develop initiatives.

For staff at World Vision, AzCA, and ARW, the goals of knowledge capture and sharing

FOUR ELEMENTS OF ORGANIZATIONAL LEARNING



are championed at the top and connect directly to the impact they hope to create—respectively helping the poorest of the poor toward self-sufficiency, helping youth break out of destructive patterns, and giving kids homes to call their own.

The Incentives Gap

Strategic clarity around the “why” of organizational learning can bridge the first gap in the learning cycle. But creating a culture that motivates each person in an organization to capture and share knowledge actively requires a rewards system beyond the clarity of a compelling goal—and this is where about half of the nonprofits we surveyed experienced a problem. Leaders report that they fail to clarify incentives for individuals, for teams, or for their organization as a whole. Yet incentives at multiple levels are often exactly what it takes to transform a goal into a priority that rises above competing demands.

About half of the nonprofits we surveyed do not evaluate or reward some of the behaviors that support learning. Specifically, four out of 10 nonprofit leaders said they don’t incorporate knowledge capture and sharing into how staff members are evaluated. In our interviews, we heard that measuring and encouraging learning behavior was the area where nonprofits struggled most.

A straightforward incentive strategy builds organizational learning responsibilities directly into the job. The Council on Foundations (COF), a national nonprofit membership association whose members’ collective assets exceed \$300 billion, has no dedicated knowledge staff. Instead, knowledge is becoming an explicit part of the job descriptions for their member-facing staff, which make up about half of the organization. COF uses a customer relationship management (CRM) database to track interactions with members. It also uses CRM tracking to inform performance reviews, measure and evaluate staff on how well they capture and pass on learning to colleagues, enable richer services to members, and collaborate across departments to pass on best practices.

FSG, a 70-person nonprofit consulting firm, believes incentives start with whom you hire. The firm uses knowledge sharing as a criterion for recruiting, and evaluates it as part of performance reviews. Hallie Preskill, FSG’s executive director of strategic learning and evaluation, says: “We look for a certain kind of person—smart, humble, and curious. Wanting to share what they learn is part of their DNA.” She notes another motivator: productivity. “People recognize that sharing knowledge saves time and increases productivity,” says Preskill. “When a content area surfaces that we need to understand better, we’ll put a note on the intranet and people respond. Within an hour, you will hear from six colleagues with tangible ideas.”

At the same time, FSG’s human resources system rates performance and recommends pay increases based in part on the extent to which an employee contributes to the firm’s development of intellectual capital. In 2010, FSG hired its first director of knowledge management, who is developing a firm-wide knowledge management system so that people can access, store, and share information comprehensively and in real time. Says Preskill: “It is about people and technology.”

Not all incentives and rewards have to be explicit. KIPP, for example, sees a link between organizational learning, increased staff effectiveness, and intrinsic rewards for effective staff. According

to Oakes, the rewards for participating in organizational learning activities are of three types: achieving better student outcomes by leveraging the collective wisdom of KIPP teachers; enabling personal satisfaction by providing a means for teachers to expand their impact beyond their classroom and school; and helping teachers find kindred spirits among fellow teachers, which builds community and can help retain effective teachers. Says Oakes: “We want teachers to build on each others’ work. Giving them a [learning] tool so they don’t have to recreate the wheel is the key. But giving them access to other educators, who think like them and are dedicated like them, helps them really participate in the broader organization and mission.”

The chance to deeply influence an organization or field can provide another intrinsic reward for staff to share what they know. The employees of In My Shoes, a small, peer-mentoring organization for youth aging out of foster care, find motivation there. As a newly acquired unit of AzCA, In My Shoes is using knowledge sharing to further twin goals: tuning the ears of child welfare professionals to the child’s voice in foster care decisions and smoothing the road to independence for fostered youth. At a recent training of 85 child welfare professionals, In My Shoes founder Christa Drake spoke about how a move into foster care can result in loss of independence, connections with family, and community. It’s frightening, she says, and yet, in the ebb and flow of the system, it is the adults’ voices that are listened to. Through storytelling, testimonials, and role-playing, In My Shoes is getting its message across and reaping policy changes. Arizona child protective services now requires every new social worker to receive training that includes perspectives of foster care youth. And Arizona community colleges have begun designating and training counselors to work with youth coming out of the foster care system, addressing personal needs that go far beyond course recommendations. For Drake, these are huge rewards.

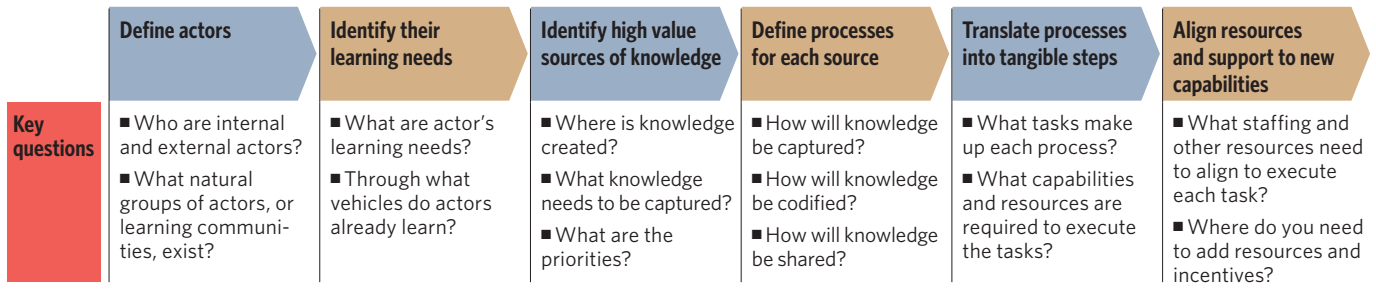
The Process Gap

Once clear learning goals are established that align tightly to the mission, and individuals and teams feel motivated to reach for them, at least one key question remains for many nonprofit staffers: How? Through what processes do we capture knowledge, share it, and use it to increase our impact? The most important first step in closing the *how* gap is to make these processes intuitive. Identify who needs the knowledge, where the best opportunities lie for learning, and what systems fit best with the way people already work.

For many organizations, the No. 1 goal of organizational learning is to identify, codify, and disseminate best practices to ensure that they are used across the organization. But KIPP goes about things differently. “Knowledge sharing for KIPP is particularly powerful because we don’t have a master curriculum,” says Oakes. “Even within the regions, school leaders and teachers have discretion over how they’re going to run their classroom. We’re not going to tell you, ‘Here is what to do in 3rd-grade math.’ But we know there are fantastic things happening across the board; there are teachers who are getting results through creating an academically rigorous curriculum, but still bringing joy into their classrooms each day. ... This past year, we identified 15 of KIPP’s most effective teachers and videotaped them and made their content available online. We’re highlighting the practices of these teachers, but we’re not saying this is the only way to do it.”

CREATING A KNOWLEDGE-SHARING PROCESS

To design a more robust internal learning and knowledge-sharing process, start with a few questions about the key actors who create and consume knowledge, then identify their learning needs, and finally identify where knowledge is created, how to capture it, and the resources required to do so.



The online system, called KIPP Share, which was developed by the Cambridge, Mass., start-up Better Lesson, includes documents and multimedia and was designed to walk the line between highlighting effective practices and out-and-out recommending them. Besides displaying videos that demonstrate the practices of great KIPP teachers, KIPP Share helps new teachers find helpful classroom materials that experienced teachers have already created. And it remedies a major gap in knowledge flows that KIPP had faced: When teachers moved to non-KIPP schools, their precious materials left with them.

But virtual systems tend to become truly useful through painful user feedback, and Oakes was candid about the system's flaws before developing KIPP Share with Better Lesson. "We found that we had tens of thousands of documents, but it was hard to make the most of them. Also, we learned that teachers want to understand the context of the document. Let's say I searched for the US Constitution. On the old system, you'd get a laundry list of documents that had something to do with the Constitution. Great, but who is the teacher who created it, how does this document play into broader context? Now you get a list that tells you how the document fits into the curriculum of the teacher who created the material. It isn't just about resources, but also about who created them."

Oakes notes the importance of designing systems and processes that align with an organization's culture. For KIPP, it was important to design a system that respected autonomy in what and how to teach. "We are learning a lot along the way and realize there is no one perfect solution to sharing," acknowledges Oakes. "We are learning how important it is to continue to support in-person gatherings where teachers can exchange ideas, create relationships, and build community." KIPP is in the process of creating measures of success for the new system. Ultimately, KIPP is looking to make an impact on students.

Clearly, this kind of national network or multisite entity creates rich opportunities for organizational learning—both virtual and face-to-face. Within such systems, effective tactics can range from the idea-specific to the broad or field-based. The Nature Conservancy, for example, makes extensive use of peer reviews for proposals on significant initiatives—such as mitigating coastal effects of climate change. One peer review tactic involves a board of peer reviewers, who sit in a circle and, one by one, name the proposal's strengths—until they start to repeat themselves. Then they go around again, this time naming the proposal's weaknesses. This way, the author of the proposal gets a dose of highly concentrated learning, directly

from peer experts, before he or she begins to implement a strategy, which can help avoid missteps.

GETTING BETTER AT ORGANIZATIONAL LEARNING

In the early days of the Internet, it was said that the World Wide Web was the globe's greatest library—only that all the books were on the floor. Many nonprofit leaders and staff no doubt have had similar feelings about their organizations: The organization's hard-won knowledge is just lying there on the floor—or worse, checked out with the departure of a key employee.

But it doesn't have to be this way. Ensuring that knowledge flows throughout an organization, informing the quality of service to clients whose lives depend on it, takes hard work. But the steps required of leaders are pretty clear. (See "Creating a Knowledge-Sharing Process," above.) They need to set learning goals that resonate because they advance the organization's mission; they need to reinforce a culture that rewards knowledge capture and sharing; and they need to engage staff in creating intuitive processes for making it all happen.

Technology advances may provide the tools for sharing knowledge more broadly and effectively, but as examples like KIPP, World Vision, and the Nature Conservancy show, adoption rates rise when the people-to-people element of shared learning is kept robust. This element provides context and enables advice and collaboration and, well, makes learning satisfying. Indeed, technology becomes a true multiplier of organizational learning when put in service of deeper person-to-person connections and exchanges. ■

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