"The rate at which individuals and organizations learn may become the only sustainable competitive advantage."

-Ray Stata, Sloan Management Review

“If Hewlett-Packard knew what Hewlett-Packard knows, we would be three times as profitable.”

-Former CEO of Hewlett-Packard, Lew Platt
Quoted in Davenport & Prusak,

**COURSE OVERVIEW AND GOALS**

Organizations vary enormously in the rates at which they learn—either from their own experience or the experience of others. Some organizations show remarkable performance improvements while others show little or no learning and improvement.

Why does little or no learning occur in some organizations while others show impressive growth in productivity? In the course, we will examine why some organizations show rapid rates of learning and others fail to learn. Understanding sources of learning can enable managers to improve firm performance. Thus, the main goal of this course is to enhance your ability to increase the rate of learning and performance gains at your firm. For example, you will learn techniques for increasing creativity in organizations and for promoting knowledge transfer.

Learning involves innovating or creating new knowledge, retaining that knowledge, and transferring the knowledge throughout the firm. Increasingly, firms are organized in a distributed fashion to take advantage of differences in expertise, labor costs, and access to markets that exist around the world. Managing these distributed organizations effectively requires that knowledge be retained and transferred from one organizational unit to another. Thus, we will examine how organizations create, retain, and transfer knowledge in this course.
Some specific questions addressed in the course include:

1) Why do some organizations learn and others fail to learn? What factors affect the rate of performance improves with experience in firms? How can you increase the rate of learning at your firm?

2) How can innovation be fostered in organizations?

3) How can training programs be designed to promote organizational learning?

4) How can organizations leverage transactive memory systems, or knowledge of who knows what, to improve firm performance?

5) Where is knowledge stored in organizations? How can firms be designed to capture the knowledge of individuals so that turnover does not hurt firm performance?

6) How can you assess if "forgetting" is occurring in your organization? What strategies can you use to retain knowledge in your firm?

7) How might you transfer knowledge from one unit of your firm to another so that performance gains made in one unit benefit the entire organization?

8) How can organizations facilitate the internal transfer of knowledge while minimizing the spillover of knowledge to competitors?

9) How can you improve strategic decisions by incorporating new results on organizational learning in your strategic analysis?

10) How can knowledge management systems be designed and used to support organizational learning?

**READINGS**

*Current:*
  Course packet of readings.


*Future:*
  Journal of Knowledge Management, Management Learning

**GRADES**

Your final grade will be computed using the following weights:

- Participation .20
- Experiential Analysis and Presentation .40
- Exam .40
EXAM
There will be one closed-book in class exam. The questions will be essay questions -- either short-answer essays or analyses of (brief) cases. The purpose of the exam is to check your knowledge of fundamental concepts and to give you an opportunity to apply your knowledge to analyze real business situations.

PARTICIPATION
Although it takes some quantity of participation to gauge its quality, participation is assessed primarily in terms of the quality of your contributions. Quality comments add value to the discussion by offering a new perspective, by providing relevant evidence, by building on previous comments or by moving the analysis in a new direction. Focus questions for each reading that may help you prepare for its discussion are included in this syllabus. Individuals who monopolize air time are rarely seen by their peers or by me as adding value to class discussion.

EXPERIENTIAL ANALYSIS
You are required to prepare a 4-5 page analysis of an experience you had in an organization.
   a) Analyze the experience in term of course concepts. For example, you might choose to analyze a knowledge transfer event in terms of barriers and facilitators to knowledge transfer.
   b) Recommend how the firm’s handling of the event could be improved.
You will have an opportunity to present your analysis to the class during the last week of class.

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### SCHEDULE

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**FOCUS QUESTIONS: ORGANIZATIONAL LEARNING AND LEARNING CURVES**
*Argote (Chapter 1)*

1. The concepts of “learning curves” and a “progress ratios” were developed to provide measures of organizational learning. Explain these concepts and how they can be used to provide indicators of firm performance.

2. What factors explain the variation in progress ratios observed across firms?

3. How can you increase the rate of learning at your firm?

**FOCUS QUESTIONS: KNOWLEDGE RETENTION AND ORGANIZATIONAL MEMORY**
*Argote (Chapter 4)*

1. What are the key knowledge repositories in organizations?

2. Give an example of knowledge embedded in each of these repositories.

3. What are the strengths and weaknesses of each repository for retaining and transferring knowledge?

4. How can knowledge be retained in organizations in the face of turnover?

*Transactive Memory*

1. Explain the concept of “transactive memory.” Describe a transactive memory system that evolved in a group of which you were a member.

2. How do transactive memories help group performance?

3. How can you promote the development of transactive memory systems in organizations?

*Cognizant Technology Solutions*

1. Does Cognizant 2.0 facilitate the transfer of tacit as well as explicit knowledge?

2. Discuss how Cognizant 2.0 enables the development of a transactive memory system.

3. Does Cognizant 2.0 facilitate the development of new solutions?

**FOCUS QUESTIONS: KNOWLEDGE TRANSFER**
*Argote (Chapter 6) and Szulanski*

1. How can you promote the effective transfer of knowledge in your organizations?

2. Which factors facilitate and which impede knowledge transfer?

3. Describe the roles of “supra organizations” such as chains or franchises in transferring knowledge across organizational units.
**Nonaka**

1. Discuss Nonaka’s four basic patterns for creating knowledge in organizations.

2. What is tacit knowledge?

3. How can organizations be designed to promote the transfer of tacit knowledge?

**Rank Xerox Case**

1. Compare and contrast the Wave I and Wave II attempts to transfer best practices throughout Rank Xerox. Evaluate the effectiveness of each wave. What are the facilitators and barriers to knowledge transfer in each wave?

2. What should Carlos do now?

**Argote (Chapter 5)**

1. How can you promote the sharing of unshared (i.e., uniquely possessed) information in groups?

2. If you possess a minority viewpoint that is different from other group members, what are effective strategies for persuading or influencing others?

**FOCUS QUESTIONS: CREATING AND LEADING A LEARNING ORGANIZATION**

**Children’s Hospital and Clinics**

1. What is your assessment of the Patient Safety Initiative at Children’s?

2. What barriers did Morath face as she encouraged people to discuss medical errors more openly?

3. How can these barriers be overcome?

4. What is your assessment of Morath’s leadership of the organizational change process at Children’s?

**Edmondson, Garvin and Gino**

1. What are building blocks of a “learning organization?”

2. Provide an example of each building block

**Garvin**

1. How can a leader facilitate learning in his or her organization?

2. Explain what an “after-action” review is.

3. How should after after-action reviews be managed to increase their effectiveness?
FOCUS QUESTIONS: CREATING AND SUSTAINING A LEARNING ORGANIZATION

Leonard-Barton: Chaparral Steel

1. Describe the four components of Leonard-Barton’s Learning Laboratory System and give examples of:
   i. Owning the Problem and Solving It
   ii. Integration of Internal Knowledge
   iii. Continuous Innovation/Experimentation
   iv. Integration of External Knowledge

2. Discuss the comment made by a manager at Chaparral saying that he can “tour competitors through the plant, show them almost everything and we will be giving away nothing because they can’t take it home with them.” p. 24.

3. Chaparral Steel wants to expand. Do you recommend that they expand the current establishment in Midlothian, Texas or add a new site? What are the pros and cons of each strategy? What would you do to increase the success of your chosen strategy?

Sunpower Case and Simulation

1. What effect does knowledge transfer or spillover have on the performance of a firm? An industry?

2. How can organizations promote internal knowledge transfer while minimizing knowledge spillover?

Keeping Google Googley

1. Describe Google’s culture and how its structures and processes (e.g., for recruiting, compensation, promotion, training, performance reviews and decision making) are aligned with its culture.

2. As the company grows, how can it maintain its entrepreneurial culture and continue to promote innovation and learning?
**BIBLIOGRAPHY**

**Required Reading List**


**Suggested Reading List**


