"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. We will examine both social and technological factors that enable organizations to create, retain, and transfer knowledge.

Some specific questions addressed in the course include:
1) Why do some organizations learn and others fail to learn? How can you increase the rate of learning at your firm?

2) How can innovation be fostered in organizations? When is an open-innovation process likely to be successful?

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

4) 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?

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

6) 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?

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

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

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

10) Which knowledge repositories contain knowledge that is likely to be a source of competitive advantage in firms?

**READINGS**

*Current:*

Course packet of readings

*Future:*

Journal of Knowledge Management, Management Learning

**GRADES**

Your final grade will be computed using the following weights:

<table>
<thead>
<tr>
<th>Component</th>
<th>Weight</th>
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<tbody>
<tr>
<td>Participation</td>
<td>.15</td>
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<tr>
<td>Article presentation and Discussion</td>
<td>.15</td>
</tr>
<tr>
<td>Experiential Analysis and Presentation</td>
<td>.30</td>
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<tr>
<td>Exam</td>
<td>.40</td>
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**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 the discussion 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.

GROUP ARTICLE PRESENTATION

You are expected to lead (along with a group of other students) the presentation of one article (see articles with asterisks on syllabus). You will have 20 minutes to present the article and lead its discussion. It is usually helpful to use several slides to present your analysis to the class. Specific questions to address in your analysis are included at the end of the syllabus. You should feel free to include additional material that you think would add value to the discussion. Remember to be constructive!

OFFICE

Professor Linda Argote
Tepper School of Business, 368
Carnegie Mellon University
E-Mail: argote@cmu.edu
Phone: 412.268.3683

Office hours 3:30-5:00 Monday and by appointment or email
<table>
<thead>
<tr>
<th>SCHEDULE</th>
<th>Date</th>
<th>Topic</th>
<th>Reading Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>WEEK ONE</td>
<td>October 31</td>
<td>Why are some organizations better at learning than others?</td>
<td>Argote (Chapter 1)</td>
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<td></td>
<td>November 2</td>
<td>Organizational Memory</td>
<td>Argote (Chapter 4)</td>
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<td>WEEK TWO</td>
<td>November 7</td>
<td>Knowledge Retention and Transfer</td>
<td>Cognizant Case</td>
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<td>November 9</td>
<td>Knowledge Transfer</td>
<td>Argote (Chapter 6)</td>
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<tr>
<td>WEEK THREE</td>
<td>November 14</td>
<td>Learning Curves: Managerial and Strategic Opportunities</td>
<td>Sunpower Case and Simulation</td>
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<td></td>
<td>November 16</td>
<td>Knowledge Transfer</td>
<td>Szulanski</td>
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<td>Rank Xerox Case</td>
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<tr>
<td>WEEKS FOUR</td>
<td>November 21</td>
<td>Exam</td>
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<tr>
<td>WEEK FIVE</td>
<td>November 28</td>
<td>Knowledge Sharing within Groups</td>
<td>Argote (Chapter 5)</td>
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<td></td>
<td>November 30</td>
<td>Organizational Design and Organizational Learning: Nummi vs. Uddevalla</td>
<td>Adler and Cole*</td>
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<td></td>
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<td>Berggen*</td>
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<td></td>
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<td>This American Life: Nummi</td>
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<tr>
<td>WEEK SIX</td>
<td>December 5</td>
<td>Leveraging Experience to Innovate</td>
<td>Hargadon &amp; Sutton*</td>
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<td></td>
<td>December 7</td>
<td>Leading a Learning Organization</td>
<td>King &amp; Baatartogtokh*</td>
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<td>King &amp; Lakhani*</td>
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<td>Gino &amp; Pisano*</td>
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<td>Garvin*</td>
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<td>Children’s Hospital Case</td>
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<td>WEEK SEVEN</td>
<td>December 12</td>
<td>Presentations of Experiential Analyses</td>
<td>Written Papers Due</td>
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<tr>
<td></td>
<td>December 14</td>
<td>Presentations of Experiential Analyses</td>
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* Candidates for article presentations.
FOCUS QUESTIONS: 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 managers structure the experience in their firms to promote learning?

FOCUS QUESTIONS: KNOWLEDGE RETENTION AND TRANSACTIVE 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?

5. What is a “transactive memory” system?

6. How does a transactive memory system affect group and organizational performance?

7. How do you build transactive memory systems in organizations?

Cognizant Technology Solutions

1. Discuss the role of Cognizant 2.0 in enabling Cognizant to grow.

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

3. Does Cognizant 2.0 facilitate the transfer of tacit as well as explicit knowledge?
FOCUS QUESTIONS: KNOWLEDGE TRANSFER
Argote (Chapter 6) and Szulanski

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

2. Which factors impede knowledge transfer?

3. Which factors facilitate knowledge transfer?

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

5. a. What is tacit knowledge?

   b. 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?

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?

Argote (Chapter 5)

1. What can you do to facilitate the sharing of information that group members uniquely possess during group discussions?

2. If you have a minority viewpoint in a group, what can you do to increase your ability to influence others?

FOCUS QUESTIONS: ORGANIZATIONAL DESIGN AND ORGANIZATIONAL LEARNING

Adler & Cole and Berggen

1. Compare and contrast the approach to organizing used at the Toyota-GM joint venture, Nummi, with the autonomous work group approach used at Volvo’s Uddevalla plant.

2. According to Adler and Cole, which approach affords the most opportunities for continuous improvement and organizational learning? Why?
3. According to Berggen, which approach affords the most opportunities for continuous improvement and organizational learning? Why?

4. Does one approach dominate the other? Are there conditions under which one approach is better than the other? If so, what would those conditions be?

FOCUS QUESTIONS: LEADING A LEARNING ORGANIZATION

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?

Gino & Pisano

1. What are the barriers to learning from success?

2. Give an example of each of these barriers from your own experience.

3. What can managers do to increase the likelihood that their firms learn from success?

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 tried to encourage 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?
FOCUS QUESTIONS: CREATING KNOWLEDGE AND INNOVATION

Hargadon & Sutton

1. Describe the “innovation factory.” How can innovation be institutionalized in organizations?

2. What is the role of previous experience in innovation?

3. What are the benefits of brainstorming? What are the conditions under which it is effective?

King & Bantartogtokh

1. What are the four elements in Christensen’s Theory of Disruptive Innovation?

2. Evaluate the empirical evidence in support of or against the theory.

3. How can managers of incumbent firms leverage existing experience and capabilities to respond to disruptive technologies?

King & Lakhani

1. How can firms open their innovation process and tap into knowledge outside their boundaries?

2. What are the conditions under which a manager should consider opening the idea-creation process?

3. What can managers do to encourage individuals outside their organizations to provide ideas?

4. What are the conditions under which opening the idea-selection process is likely to result in the best innovations being chosen?
BIBLIOGRAPHY

Required Reading List


Suggested Reading List


