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# Management Update

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# Creating an Informal Learning Organization

*Although most learning in a company doesn't take place in formal training programs, managers can still cultivate it through a tool known as a community of practice.*

**C**OMPANIES HAVE tried to become learning organizations for nearly a decade. The reason, as Harvard Business School professor David Garvin puts it: competitive advantage accrues to firms that are skilled at “creating, acquiring, interpreting, retaining, and transferring knowledge.” But what a job! Real learning, as the theorists like to say, is situated, social, and distributed. That means it requires more than one brain—and it never takes place in a vacuum. The context in which you learn something determines both what and how much you absorb.

What's more, it turns out that most learning doesn't occur in formal training programs. This was the conclusion of a 1996 Bureau of Labor Statistics report, which indicated that people learn an astonishing 70% of what they know about their jobs informally, through processes not structured or sponsored by the company. If that holds true elsewhere, the \$100 billion that companies spend annually on formal training accounts for only 30% of what actually gets learned. *The Teaching Firm: Where Productive Work and Learning Converge*—a landmark 1998 study on workplace learning by Education Development Center (EDC), in Newton, Mass.—amplified the federal report. Based on research conducted at seven manufacturing companies, the EDC study found that informal learning takes place spontaneously and continuously—not just in times of crisis, but in the course of everyday activities and routine procedures.

For managers, the central question in creating a learning organization has always been who “owns”—who has responsibility for—the knowledge that's critical to a company's strategic success. The question is most pressing when it refers to tacit knowledge, the deeply embedded amalgam of wisdom and know-how that is most difficult for competitors to copy. But if tacit knowledge is acquired and transferred largely through informal contexts, how can managers encourage such learning?

More and more companies are deciding that one answer is an entity that's been around for a while: a *community of practice*. The term was coined in a 1991 book, *Situated Learning* (Cambridge University Press), by Jean Lave and Etienne Wenger. Since then it has taken root and spread. A so-called tech club at DaimlerChrysler is an example: it's a group of engineers who don't work in the same unit but who convene regularly on their own initiative to talk about problems related to their area of expertise, such as brakes. “The community of practice is to corporations today what teams were 20–30 years ago,” declares coauthor Wenger, a consultant and researcher. “Whereas teams were seen as the ideal social structure for cross-functional tasks or projects, communities of practice are now seen as the best social structure for the ownership of knowledge.”

If he's right, what are the practical implications for maximizing the informal learning that flows through this curious social organism?

## Cultivate the communities

A community of practice is referred to as a “learning ecology” for good reason, says Wenger. It's organic, self-organizing. It has a life of its own—a life managers can snuff out if they aren't careful. Encouraged by the success of some communities of practice, for example, the World Bank launched top-down efforts to establish them in other domains. No go. “Disembedding a best practice from one locale and transplanting it into a new one is not a simple procedure,” cautions John Seely Brown, director of Xerox's Palo Alto Research Center and coauthor of *The Social Life of Information*. “Don't expect to be able to find mechanistic ways of capturing or translating highly contextual, self-organizing processes.”

But managers shouldn't get out of the way completely, Wenger insists. Like a plant, a community of practice has to do its own growing—but you can help create optimal conditions and directions for growth. For example:

■ **Legitimize membership in communities.** Show unequivocal support for attendance at community meetings. Let members know that their explorations are vital to the enterprise. Solicit the community's advice—it “will be energized to discover that it has a voice in the corporation,” says

### Guide, Don't Micromanage

Although you can't micromanage communities of practice, you can follow Don Ashton's model. When he was director of fleet services for Florida Power & Light, Ashton tried to steer the communities toward “outcomes that would directly fill the needs of the company.” The automotive technicians, for example, had created their own safety programs. This type of training was required of all employees, so Ashton encouraged the technicians to offer their programs to everyone.

Wenger. “If I’m doing a good job of managing the informal learning,” adds Walt Lickteig, manager of business strategy and finance at Southern California Edison, “the questions that come back to me become mission-critical or key strategic discussions.”

■ **Provide the money, time, and resources they need.** Communities of practice have been around a long time, but corporations are only now learning to get resources to groups that don’t fit neatly within the organizational structure. Do the communities need money? Connections to a research university? What barriers are impeding their work? Wenger recommends creating internal teams that consult to the communities. Shell and British Telecommunications, he says, are two examples of companies that have found this approach to be very successful.

■ **No community? Establish “beacons” instead of a structure.** If you want to create a community of practice from scratch, recognize the difficulty of the job. “You need to be sensitive to people’s energies and career trajectories,” Wenger explains. One technique: find a seasoned worker—a recognized expert who’s interested at this point in his career in mentoring others—to convene a gathering. But although a community of practice is informal, it isn’t unstructured. Somebody has to determine convenient times and locations for meetings, maintain the Web site, and send out e-mail reminders. So pair that senior expert with someone newer to the field, who might be willing to handle these administrative details.

### Capture the informal learning

Functioning communities of practice are one step to effective informal learning. A second step: make sure you capture what is discussed and shared.

■ **Build a “Why did you do it that way?” culture.** “An experience has to be reflected upon before it becomes learning,” says Sue Grolnic, managing

## Training: Only the Beginning of Learning

The Education Development Center (EDC), which conducted a landmark study on workplace learning (*see main article*), conducted a follow-up project with McDonald’s. The restaurant chain has “probably as good a training process as you’ll find anywhere,” notes Sue Grolnic, managing director of EDC’s Center for Workforce Development. “But built into that process was the belief that when training stops, learning stops, too.”

“In the fast-food industry,” she explains, “the key driver is time. So it’s common to see routine jobs done not by the book but according to a new procedure that saves time.” When the company culture assumes there’s no opportunity for further learning in such routine procedures, “the employees have to do the learning on their own—without the participation of management.”

director of the Center for Workforce Development at EDC. “It has to be processed.” That’s the value of communities of practice, of course, but the habit doesn’t have to stop there. Try asking coworkers what they learned today, or what they discovered that would enable the company to surprise its competitors. Build the questions into everyday practice. “Instead of running a call center as a cost center and reporting how many calls get processed in a day,” Brown asks, “why not make the center’s manager report regularly on what his group has discovered?”

■ **Align the “architecture of place”—the social, informational, and physical space—to support learning.** People talk around the water cooler? Don’t assume they’re wasting time, advises Brown: “Personal and social events are often intertwined with knowledge events.” Rather than fight the mixture, leverage it—put a whiteboard near the cooler so that business ideas can be captured. When Xerox gave its tech reps two-way radios, some managers eavesdropped to make sure the reps weren’t just shooting the breeze. The reps *were* doing this—but the radios enabled them to solve business problems more effectively, so the managers learned not to care about the personal communication. As for physical design, strive for flexibility and fluidity, so that people can shape their workspaces to

suit their changing needs. Brown: “Try to craft the periphery of office spaces so that people can quickly determine whether the conversation that’s occurring is one they should listen in on.”

■ **Dovetail formal training with informal learning.** “The expert discussions that take place in communities of practice represent fantastic opportunities for newcomers,” says Wenger, “but they can’t take the place of the basic skills training these newcomers still need.” EDC points out that formal and informal learning are mutually reinforcing—the one spills over into the other. To maximize this spillover, ask employees returning from training to present what they’ve learned to their colleagues. This helps create alignment among employees. It also throws them into the work of internalizing the learning, adds Don Ashton, former director of fleet services for Florida Power & Light—creating their own methods and techniques that tailor the training to the particular context.

Precisely because learning occurs all the time, not just in formal settings, managers need to take a more active role in encouraging it. They need to create more open spaces in their schedules—time for what Sandy Lyons, CEO of Corning Cable Systems (Hickory, N.C.) calls “management by getting lost.” Effective techniques? Wan-

*Informal Learning*, continued

der down hallways. Nose around. Get involved in impromptu conversations, whether with direct reports or with colleagues to whom you're only loosely connected. You'll be surprised at what you hear—and at what people learn.

## RESOURCES

### ***Learning in Action***

by David A. Garvin  
2000 • Harvard Business School Press

### ***“Communities of Practice: The Organizational Frontier”***

by Etienne Wenger and William M. Snyder  
*Harvard Business Review* • January–February 2000

### ***The Social Life of Information***

by John Seely Brown and Paul Duguid  
2000 • Harvard Business School Press