

“Get JAZZED!”



Taking the knowledge perspective on e-Learning

Part 3: Performance Management

Virtual Jamming / A Knowledge Recipe¹ for Creating High-Performance E-Learning Spaces

Oliver Schwabe, August, 2006



Introduction

This final article focuses on the classical process model that can be distilled from the value-network-based reflections¹ presented in the previous two articles and specific performance measures required to build and maintain e-learning spaces, where the impact is significant and fast, including the relevant measures that must be taken to create such spaces. These performance measures will be presented using the structure of the intangible assets monitor² and as a simple management dashboard to support in the design, development and implementation of high-performance learning spaces.

Revisiting the key roles

As defined in the first article the key roles of relevance in the value network are:

- Knowledge Creators
- Knowledge Creation Enablers
- Knowledge Creator Supporters
- Knowledge Beneficiary
- Course Provider
- Quality Controller
- Information Compiler
- Content Practitioners
- Information Designer
- Information Provider

The process view

In the last article, six key scenarios were presented that need to be mastered in order to ensure the design, development and implementation of high-performance learning spaces. These scenarios were:

1. Knowledge application: The process by which the Knowledge Beneficiary gains value from the knowledge created during the learning engagement by the Knowledge Creator.
2. Needs analysis: The process by which the desired performance of the Knowledge Creator after the learning engagement is determined.
3. Knowledge creation: The actual process of knowledge creation for the Knowledge Creator.
4. Content design and development: The process by which the content for the learning engagement is gathered, designed, and developed.

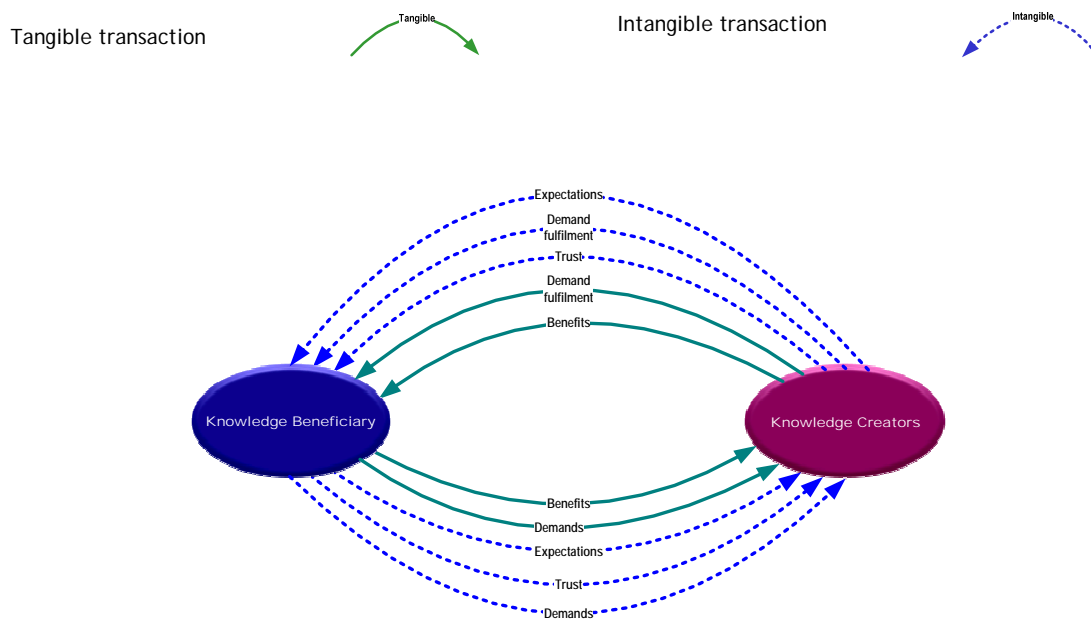
¹ Allee, V. 2002. The Future of Knowledge Increasing Prosperity through Value Networks. Boston: Butterworth-Heinemann

² A Knowledge-based Theory of the Firm to guide Strategy Formulation. HTML version of article awarded the Journal of Intellectual Capital. Highly Commended Paper Award for 2001 <http://www.sveiby.com/articles/KnowledgeTheoryofFirm.htm>

5. Content provisioning: The process by which the content for the learning engagement is delivered to the Knowledge Creator.
6. Knowledge validation: The process that validates the knowledge creation process.

The value network perspective presented in the previous two articles can now be sequenced in order to gain a more traditional perspective of the dynamics. While it could be argued that his more traditional perspective does not serve the need to understand the dynamics of context, we need to remember that a bridge must be built between the systems perspective and the existing corporate organizational and reporting structures. Organizational redesign based on value networks principles is best left to another article.

For the purpose of this article a single scenario is chosen as illustration: Knowledge application.

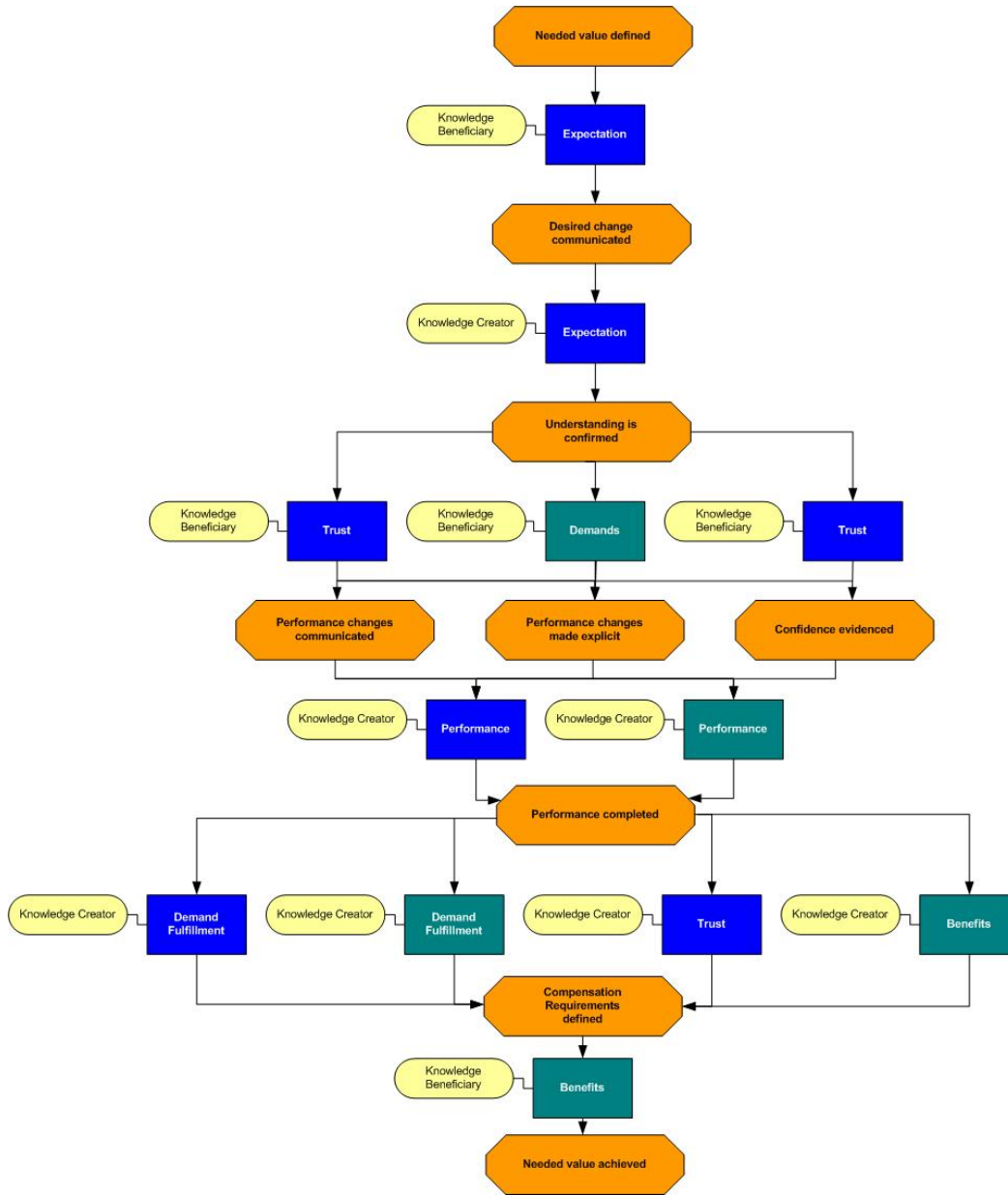


The above scenarios can be sequenced as follows:

Sequence Number	Deliverable	Nature	From	To	Explanation
0	Needed value	Tangible	Organization	Knowledge Beneficiary	This is the definition of the value that needs to be ultimately created for the organization by the Knowledge Beneficiary, i.e. increased revenue. This deliverable triggers this scenario and is hence not included on the map.
1	Expectations	Intangible	Knowledge Beneficiary	Knowledge Creator	The desired behavioral changes are communicated.
2	Expectations	Intangible	Knowledge	Knowledge	The understanding of the

			Creator	Beneficiary	desired behavioral changes is confirmed and reward expectations voiced.
3	Demands	Intangible	Knowledge Beneficiary	Knowledge Creator	The specific required performance changes are communicated.
3	Demands	Tangible	Knowledge Beneficiary	Knowledge Creator	The specific required performance changes are made explicit through process requirements.
3	Trust	Intangible	Knowledge Beneficiary	Knowledge Creator	Confidence in the ability to master the changes is evidenced.
4	Demand Fulfillment	Intangible	Knowledge Creator	Knowledge Beneficiary	The specific performance requirements are met.
4	Demand Fulfillment	Tangible	Knowledge Creator	Knowledge Beneficiary	The meeting of specific performance requirements is documented.
4	Trust	Intangible	Knowledge Creator	Knowledge Beneficiary	Confidence in task fulfillment is evidenced.
4	Benefits	Tangible	Knowledge Creator	Knowledge Beneficiary	Expected value is created.
5	Benefits	Tangible	Knowledge Beneficiary	Knowledge Creator	Expected value is created.

From a process perspective this could be visualized as follows:



Important to note in this respect, is that the central functions of “Performance” and result “Performance completed” need to be added in this specific view, since from a value networks perspective these happen inside roles. This is of course only a rough process overview, but suffices at this point in time to move to exploring the relevant performance measures.

The performance measures

Having now defined the value network and the corresponding process based upon the sequencing activity, the individual transactions can be used to define performance measures.

Deliverable	Nature	From	To	Intended Value	Performance Measure
Needed value	Tangible	Organization	Knowledge Beneficiary	Precise definition of performance goals	Performance goal
Expectations	Intangible	Knowledge Beneficiary	Knowledge Creator	Context understanding of performance goals	Explicit confirmation
Expectations	Intangible	Knowledge Creator	Knowledge Beneficiary	Context understanding of interests	Explicit confirmation
Demands	Intangible	Knowledge Beneficiary	Knowledge Creator	Competence requirement for achieving performance goal	Performance
Demands	Tangible	Knowledge Beneficiary	Knowledge Creator	Behavioral requirement for achieving performance goal	Process fulfillment
Trust	Intangible	Knowledge Beneficiary	Knowledge Creator	Assurance that performance goals are of value to the organization	Perceived value
Demand Fulfillment	Intangible	Knowledge Creator	Knowledge Beneficiary	Understanding of competence application for achieving performance goal	Performance
Demand Fulfillment	Tangible	Knowledge Creator	Knowledge Beneficiary	Fulfillment of behavior requirements for achieving the performance goal	Process fulfillment
Trust	Intangible	Knowledge Creator	Knowledge Beneficiary	Assurance of understanding and support	Perceived value
Benefits	Tangible	Knowledge Creator	Knowledge Beneficiary	Fulfillment of defined performance goals	Performance
Benefits	Tangible	Knowledge Beneficiary	Knowledge Creator	Recognition for value created	Perceived value

Upon closer examination we see that there are categories of performance measures:

1. Process related, i.e. an explicit confirmation is required for something or process fulfillment itself.
2. Perceived value, i.e. the subjective evaluation of a deliverable as being important and worthwhile
3. Performance, i.e. the tangible performance goals

Measure of the first and third category is straight-forward and an established mechanism. Although at times challenging it links to the level 4 evaluation by Donald Kirkpatrick³.

The second category, perceived value, is the basis for understanding the performance of the intangible component of business operations. "Perceived value is a way to assess the level of value participants feel they receive from individual transactions, from other participants, and from the network as a whole."⁴

The needed activities

The deliverables associated with perceived value as a performance measure in the above example scenario are "Trust" and "Benefits"

Deliverable	Nature	From	To	Intended Value	Performance Measure
Trust	Intangible	Knowledge Beneficiary	Knowledge Creator	Assurance that performance goals are of value to the organization	Perceived value
Trust	Intangible	Knowledge Creator	Knowledge Beneficiary	Assurance of understanding and support	Perceived value
Benefits	Tangible	Knowledge Beneficiary	Knowledge Creator	Recognition for value created	Perceived value

In order to grow the perceived value, we need to understand that it relates to themes such as reciprocity, value realization, growth and stability. This again leads to understanding that perceived value will in general be high when certain all roles see and appreciate each other as contributing and receiving from the value network in a balanced manner. No roles are gaining value at the expense of others. Goals of activities that enhance perceived value could hence be considered as such that ensure all roles in the value network:

1. support the purpose of the value network
2. understand the dynamics of the value network
3. appreciate their dependency upon the performance of other roles

Activities that achieve this are:

1. training in value network principles to ensure familiarity with systems based approaches in organizational performance management
2. joint-discovery sessions to create consensus on the purpose of the value network through the use of value network principles

³ Kirkpatrick, D.L. (1994). Evaluating Training Programs: The Four Levels. San Francisco, CA: Berrett-Koehler.
⁴ Allee, V. (2005). Perceived Value at <http://www.alleevaluenetworks.com>



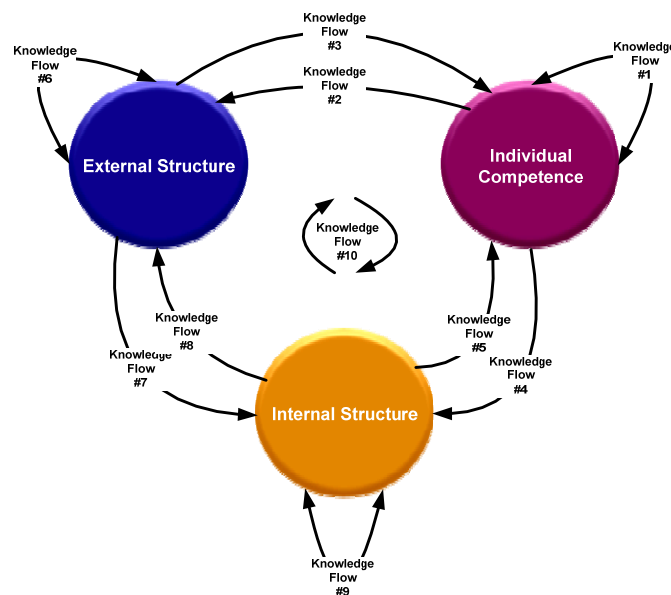
3. role based design of organizational structures through cross-organizational teams to grow appreciation of the value contributed to the value network through other roles

In this specific scenario we would hence need to focus on:

1. educating the Knowledge Beneficiary and Knowledge Creator on value network principles
2. continuously validating the alignment of exchanges with the purpose of the value network
3. linking the learning experience of the Knowledge Creator tightly with the operational activities of the Knowledge Beneficiary

The e-learning dashboard

Once all scenarios have been explored in this manner the needed activities can be mapped to the 10 knowledge flows as argued by Karl-Erik Sveiby⁵.



As a first step the previously defined performance measures need to be associated with knowledge flows:

1. The first performance measure is one related to individual competence <> individual competence (knowledge flow #1). The emphasis lies on individual competence.
2. The second performance measure is one related to internal structure <> individual competence (knowledge flows #4 and #5). The emphasis lies on internal structure.
3. The third performance measure is one related to internal structure <> external structure (knowledge flows #7 and #8). The emphasis lies on external structure.

As a second step we need to fine-tune the performance measures to become indicators related to growth, renewal, efficiency, stability/risk.

⁵ A Knowledge-based Theory of the Firm to guide Strategy Formulation. HTML version of article awarded the Journal of Intellectual Capital. Highly Commended Paper Award for 2001 <http://www.sveiby.com/articles/KnowledgeTheoryofFirm.htm>

Remembering that the Knowledge Beneficiary is usually an operational manager and the Knowledge Creator a member of their staff, the general indicators that would hence be applicable are:

1. Percentage of operational managers and staff qualified in value network thinking
2. Percentage of regular meeting where value network principles are a regular part of the agenda
3. Percentage of learning engagements that include operational projects as learning tools

The following detailed indicators are recommended:

1. Percentage of operational managers and staff qualified in value network thinking
 - a. Growth: Percentage qualified (Desired trend: Increasing)
 - b. Renewal: Age of qualification (Desired trend: Decreasing)
 - c. Efficiency: Regular assessment of perceived usefulness (Desired trend: Increasing)
 - d. Stability/risk: Regular assessment of perceived value (Desired trend: Increasing)
2. Percentage of regular meeting where value network principles are a regular part of the agenda
 - a. Growth: Percentage using (Desired trend: Increasing)
 - b. Renewal: Improvement suggestions (Desired trend: Increasing)
 - c. Efficiency: Regular assessment of perceived usefulness (Desired trend: Increasing)
 - d. Stability/risk: Regular assessment of perceived value (Desired trend: Increasing)
3. Percentage of learning engagements that include operational projects as learning tools
 - a. Growth: Increase in percentage (Desired trend: Increasing)
 - b. Renewal: Improvement suggestions (Desired trend: Increasing)
 - c. Efficiency: Regular assessment of perceived usefulness (Desired trend: Increasing)
 - d. Stability/risk: Regular assessment of perceived value (Desired trend: Increasing)

Interestingly enough it could be argued that even the small scenario explored in this specific article represents the value constellation of the whole with reasonable accuracy; as the pieces of a shattered hologram will each carry an image of the whole.

E-Learning Monitor				
Indicators for:	Financial Value	Intangible Assets		
		External Structure	Internal Structure	Individual Competence
Growth	< Defined by business need >	Percentage of operationally focused e-learning engagements	Percentage of meetings with value networks emphasis	Number of qualified staff
Renewal		Number of improvement suggestions	Number of improvement suggestions	Age of qualification
Efficiency		Perceived usefulness assessment	Perceived usefulness assessment	Perceived usefulness assessment
Stability		Perceived value assessment	Perceived value assessment	Perceived value assessment

Finally then it would be necessary to set performance thresholds that define what “score” is perhaps satisfactory or not. In many cases however a need emerges to first define the relevant tools and gather base data, since this information is not commonly available.

The above is only a small part of the complete value network that was presented as the space where high-performance e-learning takes place. The same process must be completed for all the role relationships evident in the overall system and then consolidated in a similar manner as above.



Summary

At the beginning of the Masterclass it was mentioned that “E-learning performance metrics today MUST be defined based upon the IMPACT ON BUSINESS SYSTEMS” and then detailed through the questions:

1. How can virtual learning costs be minimized?
2. How can the value generated for the learner through virtual learning be maximized?
3. How can the value generated for the business through virtual learning be maximized?
4. How can resistance to virtual learning measures be managed more successfully?

Reflecting on the journey of reflection undertaken the following answers are suggested:

1. How can virtual learning costs be minimized?

The most significant learning costs are involved with the creation and delivery of content. Underlying this is the assumption that learning involves content consumption. The moment we understand that knowledge is inherently tacit and cannot be “consumed”, we begin to understand learning to be a process of content “creation” as an indicator of “knowledge” creation. With good collaboration tools, passionate Knowledge Creation Enablers, and engaged Knowledge Beneficiaries, virtual learning costs can be effectively minimized. Simply put, a clear performance goal, a caring facilitator, phone and email, and a supportive manager is all that is needed.

2. How can the value generated for the learner through virtual learning be maximized?

Remembering our scenarios this value corresponds to the benefits received by the Knowledge Creator from the Knowledge Beneficiary. Although presented as a tangible deliverable in this scenario, it can be expanded to include a plethora of intangibles the Knowledge Creator has an interest in. The moment the Knowledge Beneficiary understands the personal needs and desires of the Knowledge Creator, these can be positioned as benefits to be achieved, and hence maximize the value generated.

3. How can the value generated for the business through virtual learning be maximized?

Assuming a clear definition of the value that the value network for virtual learning is intended to deliver, this can only be achieved if the value network as a whole functions in a healthy manner.

4. How can resistance to virtual learning measures be managed more successfully?

People do not mind changing, they object to being changed. The more virtual learning offerings are invitations versus commands, co-created and delivered in a natural manner focused on whole versus the parts, the less resistance becomes an issue.

Impact on business systems can only be achieved if we understand the system. E-learning is a specific form of space where education and learning take place. Only when this space is managed and lived in accordance with the same principles as the desired state of the business system itself, can such an impact be assured.
