

Learning Contract: A New Tool for Managing Knowledge

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In the age of learning, the capacity for learning possessed by individuals, organizations, and society as a whole is becoming by far the most important factor of competitive advantage on the personal, organizational and social level.

A revolutionary novelty within the evolution of learning are the so-called 'learning contracts', which have made the learning process within organizations much more systematic and efficient by finally putting the learning individuals into the very centre of the learning process and granting them the position they should always have had.

Personal expectations of 'knowledge processors' on the one hand, and the needs of organizations on the other are increasingly becoming a matter for negotiation, the result of which are 'psychological' learning contracts. According to them, the learning individuals take part in determining the objectives, sources, and strategies of learning, manage the learning process itself, and take independent control over the learning budgets granted to them by the organizations.

By focusing on the personal needs of the learning individual, the learning contracts bring a whole lot of advantages. They make the learning individuals the 'owners' of the learning process, increase their motivation, independence, and willingness to take the responsibility for the results of learning, and make the entire learning process much more systematic and efficient.

INTRODUCTION

Learning contracts are becoming more and more popular. They have helped many to develop independence in learning and gain qualification, which they will find useful throughout their lives. Anyone who is really prepared to enjoy the freedom of learning sees learning contracts as an instrument of motivation, so throughout the world the organiza-

tions' personnel departments are increasingly using learning contracts as one of the most important tools for attracting and developing talent.

In the following article I will try to answer the following questions:

- What is a learning contract?
- How to make an efficient learning contract?
- What are the elements of learning contracts?
- How to introduce learning contracts into organizations?
- How should managers use the new tool?
- What is the experience of the present users?
- How the new tool is successful in managing new knowledge?

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In the end we will see if the learning contract as a new tool in business training and education can respond to the diverse needs of learners from different backgrounds. It can be implemented in schools, universities and business organisation as well. We have already implemented the learning contract successfully in business organisations and gained positive practical experiences.

WHAT IS A LEARNING CONTRACT?

The learning contract is a document used to assist planning of a learning project. It is a written agreement negotiated between a learner and a teacher, an employee and a business organisation. 'The learning contract considers psychosociological principles of the adult learner. The use of the learning contract is based upon a number of assumptions about the nature of learning and learners' (Knowles 1980, 6). It is derived largely from the ideas of educators such as Malcolm Knowles who believes that as autonomous human beings, adult learners should be encouraged to take more responsibility for their own learning.

A learning contract could be seen also as a negotiated learning agreement and implies a degree of negotiation and commitment by at least two parties – the learner and the 'staff member' who could be a teacher, an adviser, a HR manager, a CEO, etc.

Negotiated learning normally begins with some discussion between these two parties. The learning contract is usually based on the learning needs of individuals, gained with an assessment or some other tool for the identification of learning needs. 'Each learning contract has the following elements: the learning objectives or goals, the strategies and resources available to achieve these objectives, the evidence which will

be produced to indicate the objectives have been achieved, the criteria which will be used to assess this evidence' (Knowles 1984, 83). The learner is actively involved in all phases of the learning contract. This means that individuals co-operate and have to define the objectives, to choose the most efficient learning strategy according to four Kolb's learning styles. The individuals have the opportunity to suggest the resources (books, seminars, video, articles, adviser, excursion, etc.) and can also suggest what kind of evidence should be produced (report, some physical evidence, presentation, assessment, etc.) and finally, the individuals also negotiate the criteria which will be used to assess the learning contract in the end (the report must reveal critical thinking, be 3000 words of length, etc.)

The negotiated learning contract lies somewhere along a continuum, which has a totally prescribed task on the one hand and a fully independent, self-directed learning activities at the other. It is convenient to think of the learning contract as a type of the project plan for self directed learner, 'but in reality it is developed within parameters, sometimes quite rigid, imposed by staff adviser and it is constantly monitored by supervisor' (Dixon 1991, 131).

The learning contract could last one month or three or more years and the individuals could negotiate and make more learning contracts in one year or within a particular period.

EIGHT STEPS TO THE EFFICIENT LEARNING CONTRACT

There is no one model of a learning contract suitable for all purposes. A contract may be a simple pro-forma setting out details of a short course activity. How the learning contract will look like, it has to be decided upon in eight steps.

Establish a Relevant Learning Need

Establishing the learning need may be done in any number of ways, but learners often benefit from some initial stimulus. Some learning needs will be known only to the learner, others only to the staff adviser (HR manager, CEO, etc.), some learning needs will stem from the results of the assessment process, and some needs will be known to both, the learners and the adviser. Initial discussion should be designed to explore these various types of perceived needs before planning any specific learning objectives. In other words, 'the discussion will seek to identify what the

learner *wants* to learn, what the learner *could* learn and what the learner should learn' (Allinger and Janak 1989, 338).

Refine the Learning Need into the Specific Objectives

Having identified a relevant learning need, the next step is to refine this need into specific and realistic objectives. It is very important at this stage to realize that this involves identifying a learning intention, not stating what will be done to achieve it or what the final product is likely to be. Thus objectives as 'To write a report about ...' or 'To read book about ...' are not appropriate since they fail to identify the learning intention. Good learning objectives are as following: 'To identify the key components of a strategic business plan', 'To analyze the most common problems encountered when preparing strategic business plan', etc.

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Identify Useful Resources and Strategies for Learning

The next step is to identify the best resources available to enable the learner to achieve the stated objectives. Here it is important to consider not only printed materials as usual, such as books and magazines, but whatever might be able to help the learner to find out what he or she wishes to know. This could include 'people such a teachers, librarians, colleagues, practitioners, as well as material contained in sources such as books, journals, reports and the broad cast media' (McLagan 1989, 52).

In this step we have to define also various strategies to obtain the information and materials required. In other words, the learner must decide the best methods for accessing those sources. This means working out a plan of action to determine: what to look for, who to talk to and how to approach them, how to locate or acquire relevant materials, the priorities for the project, a sequence in which to do things, etc.

Determine What Is to Be Produced

The learner should, during this stage, work closely with the adviser to agree upon what is going to be assessed and what should be produced as evidence that each of the specific objectives has been achieved. For example, if the learning contract involves the development of some specific skills in some area, how can it be demonstrated that this skills has actually been acquired. In this case some practical, observable evidence, such as a demonstration, is required rather than a piece of written work which may only indicate knowledge of the procedures. 'Examples of evidence of learning that might be considered include reports, essays as well

as presentations and designs and not printed material. Simply descriptive or narrative accounts are not normally sufficient' (Rosenblum and Darkenwald 1983, 73).

Determine the Criteria for Assessment

This step is usually the most difficult part to negotiate. It requires the learner and the adviser to agree upon appropriate quality standards for the completed work. Criteria for knowledge objectives will tend to be based around consideration of how comprehensive, accurate and appropriate the work is. For skill objective, there may be a need to provide the evidence of accuracy, speed and confidence. We have to define the minimum criteria which apply to any work of a certain type. For example, an essay may have a specified length, a report should be written in a particular format, etc.

Review the Learning Contract

Once the contract proposal has been made, for the learner and adviser should review it and in a few days ensure that it matches the original intention. A contract that is negotiated between a learner and an adviser it may not result from a single consultation. Whatever the case, it is important to ensure each section is clear and complete and reflects the agreed activities and assessment items. Ultimately the success of the completed contract will be judged by how well it meets the stated criteria. For this reason alone all aspects of the contract proposal need to be carefully reviewed. If the proposal of the contract has been made by the individuals only, on this stage the adviser and the learner start to negotiate and in the end of the negotiation they both have to review the contract again.

Carry Out the Contract

The learning contract is finally signed by both parties, which also means that the date for its completion is agreed upon. The learner is now free to work on the learning project until it is ready to be submitted for the assessment. The level of the ongoing supervision vary according to the preference and experiences of the learner, the requirements of the adviser and the duration of the contract. The learning contract should also change. People's ideas about what is important or relevant often change as they become more familiar with the subject, or they have changed their ideas about how best to achieve the objectives. However, the learner

should always consult the adviser and discuss any changes in the contract. This is also a great strength of the learning contract; it enables the learner to continually evaluate his or her own learning and to modify the work to suit emerging needs.

Self Assess and Submit the Completed Work

The first and most important person the contract must satisfy is the learner. So for this reason it can be useful to include a final more formal step before presenting their work for assessment by others. The self-assessment can take many forms. The simplest one is to use the items in the agreed contract as a checklist to ensure each item has been met in the way specified or otherwise adequately considered. The final assessment will rest with the assessor appointed by the institution or identified in the contract. This person is usually the learner's adviser, but on some occasions a staff member or subject expert may be used, maybe an adviser or a lecturer or a manager, etc. Apart from evaluating the completed work, the assessor has a responsibility to provide a feedback to the learner on both the content and presentation of the work, its overall quality and any suggestion for improvement (Holton 1998, 34). In the case when the learning contract has been used in a university study, extensions to agreed deadlines can be arranged in accordance with the institutional policy.

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WHAT ARE THE ELEMENTS OF LEARNING CONTRACTS?

Learning contracts, no matter what kind, have at least four elements, four sections; learning objectives, learning resource, the final product – evidence that the objectives have been met and assessment criteria.

Writing Learning Objectives

A learning contract will only be effective if learning objectives on which it is based are meaningful for the learner and organisation and can be successfully implemented and evaluated within the time and resources available. Specifying the learning goals is therefore the key part of the contract and can cause the majority of problems if the learner is not sure where his or her needs and interests lie. It is very important to transfer learning needs to learning objectives in the right way. A desire to learn more about the particular subject or to improve one's understanding of a certain issue can be a legitimate objective, but far more efficient objectives are as follows:

- To learn four techniques for resolving personal conflicts with other;
- To learn and use five techniques for good negotiation;
- To gain and win the main protocol rules for business visit in the particular country;
- To made SWOT analyse of the company.

If the learning contract has been made for developing new skills learning objectives should be expressed in behavioural terms not just operational. For example: 'to give an efficient business presentation, to communicate less stressfully ...' (McLagan 1989, 57).

The objectives define the learning intention since the contract will be assessed to a large extent by how well it meets its own objectives, thus it is important to make these objectives as meaningful as possible. This depends on the topic area and expectations of advisers about learners undertaking the education and training concerned. Time spent on clarifying learning objectives will make the subsequent parts of the contract much easier to develop.

Learning Resources and Strategies for Learning

Developing a learning contract requires a consideration on how each learning objective will be achieved. Most learners think of books and seminars when considering the likely resources, but books are only one and not necessarily the best type of learning resources. I do not want to diminish the importance of books, but would rather encourage learners and advisers to think more widely when identifying the learning resources. Anything that may contribute towards knowledge, understanding or skills is a potential resource. Any person, who knows what a learner wants to find out, is also a resource and any method for accessing these people and materials is a potential strategy. So, let me list the most common resources: 'books and journals, other written materials as newspapers, magazines, brochures, conference papers, course handouts, lectures notes, CD rooms, film and videotapes, television and radio programmes, audio cassettes, networks of peers or experts, work colleagues, supervisors and managers, family and friends, seminar and conferences, workshops, field visits ...' (Brečko 2002). Far more than just books.

Developing a learning strategy involves identifying personal learning styles according to Kolb and also identifying sources of information and determining suitable methods for accessing them. For instance, if certain people are to be approached, should this be done in writing, or in person? How can data obtained be verified?

Determinate the Final Product

The choice of final product or work and the form it should take must reflect the learning objectives and meet assessment criteria. The final product is not only an essay or written report. Other options also include a skill demonstration, a critical incident reflective diary, case notes, oral examination, etc. A formal essay provides appropriate evidence of the achievement of more academic objectives, but is not useful for demonstrating skills. Special attention should be given to the relationship between learning goals and the type of evidence which would be most suitable. Here are the examples of types of objectives and how they might be linked with an appropriate form of evidence.

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Whatever form they take, the items selected as evidence should be the most appropriate means of demonstrating that the aims and objectives of the learning contract have been met.

Determining Assessment Criteria

The purpose of assessment is twofold, first to provide feedback to learners and to indicate to learners and others the standard of achievement. Every person needs the feedback, especially in more or less independent learning environment. Expectations of advisers and assessment requirements need to be made early in the process. Learners have the right to co-operate in determining the assessment criteria and it is also important for the general acceptance of the learning contract, that the assessment criteria are visible and public. We have mentioned that the learning

Type of goal	Types of evidence
Skill	Demonstration
Knowledge	Essay, report, oral presentation, audio-video presentation, critical analysis
Understanding	Essay, evaluation report, case study, research report, project plan
Problem solving	Examples of problems and solutions, strategies for approaching problems
Attitudes	Rating scales, simulation exercises, critical incident, role plays
Communication skills	Oral presentation, letters, appearance in public
Design skills	Examples of product, artwork, blueprint
Work related competences	Business plan, project management plan, management reports, budgets, records

contract provides a considerable amount of freedom for learners to select and design learning experiences relevant to their own needs. But any learning contract also consists of non-negotiable components, namely:

- the standards in assessment criteria need to be met;
- the level of the achievement to be demonstrated must be consistent with the level of the course or employment role;
- the learning plan in the form of a written contract, it has to be signed from both sides and must to be formally approved from the adviser.

HOW TO INTRODUCE LEARNING CONTRACTS INTO ORGANIZATIONS?

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First of all, the idea of learning contracts has to be accepted by the management. After this has happened we have to train advisers for the appropriate use of the learning contract and to give meaningful support to the learners.

The adviser has to be strong in defining learning objectives, be aware of different learning styles and should have knowledge about standards when judging the performance of the final product. They also have to 'motivate learners to advise them in which way they should go, where they can find learning resources ...' (Rosenblum 1983, 67).

In other words, they must have a lot of learning experiences themselves. And finally they have to organize time for the implementation of the learning contract as well. To work well with the learning contract method, an investment of time at the negotiation stage and a further commitment by the adviser to provide ongoing advice and support is required. Time will also be needed to assess each individual project or organize the appropriate assessment with the support of professional institutions or lecturers. They have to constantly give feedback to the student and give them also some kind of time pressure. And finally we need to train learners for using the method of the learning contract. Learners should be able to write the proposal of the learning contract for themselves and the adviser's role is to check carefully all the elements and negotiate with the candidates the learning objectives that will have to be met.

So, for a successful implementation of the learning contract into business organisation we need at least three things:

- the support of the management,
- the trained adviser (they could be HR professionals),
- training learners for using methods of learning contract.

Why the Learning Contract in the Business Organisation?

Lifelong learning is vital for the survival of any business organisation. But in the time of constant changes we often do not have enough time to train people, we have to train them to think with their own brain, we have to train them for lifelong learning. And the learning contract responds directly to this need. Also, there may be problems regarding measuring of the efficiency of learning. Usually we start to think about measurement not earlier than in the end of the learning process. When using the learning contract the tools for measuring the efficiency of the learning process are already incorporated in the learning plan and present the beginning of the learning. Using the method of the learning contract can help to solve the problem of gauging the efficiency of the learning.

It is important to stress that the concept of learning contract is in line with the EU accession and globalisation. Most companies are afraid of losing their best talents. The danger of the flow of intellectual capital is very high, especially in Slovenia. For attracting and keeping the best people, it is very important to give them a development plan in advance, and the learning contract is the best way for doing this. Furthermore, the learning contract is also an efficient tool for motivating people with high developmental potential.

How Should Managers Use the New Tool?

With the learning contract managers have in their hands a tool for monitoring the gaining of new knowledge at the level of individuals and at the level of organisation. If they want their organisation to become the learning organisation, here is their chance. The line manager plays the role of a consultant, being the mentor of individuals and has a whole overview over the learning process. He negotiates with the employees the learning topics and the expected learning results and finally the criteria for assessment. At the of the process he really knows what individuals have learnt and what kind of work they are capable of. Managers should use the learning contract:

- for new employees to get them familiar with the organisational culture and work processes;

- for attracting and keeping the talents;
- for changing the work role or work position of the employees;
- when particular problems appear and the individuals are not able to solve them;
- for developing and planning leadership position, etc.

In the planning process of learning contracts, more exactly in establishing relevant learning needs and defining learning objectives, managers have a very important role, they have to co-operate in this process and make an assessment and a 'knowledge gap' analysis for each candidate. Also they have to decide, 'if the learning contract is really common tool for the candidate, regarding his level of independence and self discipline' (Brečko 1998, 46).

For taking the role of adviser of the learning contract, managers should have special knowledge about teaching adults, about the methodology of learning, etc. Usually they do not possess all the necessary knowledge. So, they have to include in this process HR department, but still have to keep their hand over the learning contract of their employees. Nowadays line managers are responsible for developing staff in organisations and the learning contract could be one of the most successful tools for developing people and managing their knowledge.

WHAT IS THE EXPERIENCE OF PRESENT USERS?

Advantages of Using the Learning Contract

We will try to summarize the main advantages for the learners of Zavarovalnica Triglav, OE Murska Sobota, which is a company where we have already implemented the learning contract. The main advantages are the following:

- Flexibility and the scope of originality;
- The process develops various skills, among them managerial and leadership skills;
- Learning is of interest, value or relevance to the learner or the learner's workplace;
- Motivation is high;
- Freedom to choose;
- Learners can learn at their own pace;
- The learning contract provides focus;

- The learning contract respects differences in individuals;
- Increased confidence and excitement in learning as well as in working situations, etc.

Most frequent reactions of users of learning contract were positive:

- ‘Great, something new’
- ‘Now I will have a new responsibility for my own learning and developing the learning plan’
- ‘Our current training will be implemented by using learning contract in a focused way’
- ‘My personal learning and developing needs are included into the learning contract’
- ‘I’m happy, you monitored my efforts and gave me the opportunity to develop myself.’

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How the New Tool is Successful in Managing new Knowledge?

Argyris said that ‘Nobody can develop nothing more than just self’ (Swanson 1995, 207). If this is true, then the only possible answer for the increasing demand of the development of people is using tools that will allow individuals to do this. The candidates in our case have striven to their individual goals and have been clearly focused. In the end of the learning contract they showed results, often some kind of project work, or solving problem analysis in concrete working situation. So, on the one hand, they obviously gained new knowledge, and, on the other hand, they showed that they were able to transfer knowledge into practical solutions – and this is the biggest success of the learning contract. Even more, during working on learning contract, some candidates have discovered new learning needs, needed for reaching their learning goals. Therefore the learning contract is not just a toll for managing knowledge, but also a self-development tool. The learner takes the whole responsibility for their own learning process and has a significant impact on the developing responsibility also in other working fields (Swanson and Holton 1997, 89).

Limitations for Using Learning Contracts

Of course, we have to warn the reader against the limitations of using the learning contract. In the beginning of using learning contracts we may come across the lack of familiarity with this approach and the time needed for the learning contract, which is why we have to negotiate it.

The perceived disadvantages are more varied and relate to the circumstances of each individual. Learners report:

- Isolation – high self discipline is needed for completing the learning contract;
- Access to adviser, he/she has not got enough time for me;
- Keeping the process manageable;
- Difficulties in understanding the concept at the beginning.

Keeping these experiences in mind, we have found out that the learning contract have some limitations. Learning contracts provide excellent opportunities to make learners interested and motivated, but they cannot guarantee that all people will respond in this way. So we do not suggest using learning contracts for learners more comfortable with traditional educational methods and those who are too immature to take full responsibility and advantage of the freedom offered by using learning contracts. So the advisers have to be familiar with the cultural, educational and personal background of the learners with whom they will be working.

Depending on the organisational culture the learning contract has also other limitations regarding the level of control and power by the management. In a flat organisational culture the learning contract has future, in a hierarchical organisational structure, the management tend to have all the power and control in their own hand and usually do not support the idea of the learning contract.

CONCLUSION

A significant feature of contract learning is its potential to promote deep approaches to learning. When the learning contract is well prepared, learners are encouraged to go beyond assembling subject knowledge to consider how this knowledge may actually be acquired, what it may mean to them, how successful their learning has been and what future implications it may hold. The contract learner method can stimulate learners to examine their own assumptions, beliefs and learning preferences, to be more reflective about their work. By taking the initiative for the learning, the learner is more likely to engage in deeper and more lasting learning. On the other side, the individual takes the greater responsibility for his own learning. The learning contract is especially useful in business organisation. We could compare the process of learning contract with the

management process. In both processes we must determine the objectives, in both processes we have limited resources and in both processes we must show the results. So, the learning contract is not just a toll for gaining new knowledge or skills, but also the tool for self development, and due to this reason the learning contract is getting more and more popular within business organisation. For a successful implementation into the organisation advisers have to know their role very well and be able to present the learning contract to the users. The final goal of implementing the learning contract into the organisation is individuals who are able to prepare the proposal of learning contract on their own. If we like to live in a learning society we have to understand training and education as well as developing people as learners whether in their work or elsewhere and provide them with a basic set of intellectual and personal skills which are essential for survival in a changing world. The learning contents and the learning techniques are not enough any more. The central purpose of all educational efforts is developing learning autonomy, because the most dangerous illusion is that the learning will be completed one day.

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