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Knowledge Management and Learning Organizations

Arunima Sirohi

Faculty,
IMSEC, Ghaziabad, India
arunimasirohi@rediffmail.com

Abstract

World is growing at a faster pace, the organization which is able to adapt itself with the *changing environment will exist; others will decay and collapse. Thus, dynamic shift requires adaptive learning rather than learn to survive. This paper focuses on application of knowledge management practices in the learning organizations. It explores whether knowledge management processes are resulting in any of the positive impact on learning organizations.*

Keywords: *Knowledge management, knowledge management processes, learning organizations.*

Introduction

The nations that will lead the world into the next century will be those that can shift from being industrial economies based upon the production of manufactured goods to those that possess the capacity to produce and utilize knowledge successfully (Porter, 1990).

The new organization form will rely on clusters of self-organizing components collaboratively investing the organization's know-how in product and service innovations for markets, which they have helped to create and develop. Such organizations can best be described as cellular, suggesting a living, adaptive organization, able to respond rapidly to new demands (Bukowitz & Williams, 1997; Nonaka, 1991).

In such a dynamic environment, the concept of learning organization, one that continues to change and adapt to the demands of its environment, is critical if the organization is to strive and thrive (Popper & Lipshits, 2000). Hence, a greater attention needs to be given by organization towards building learning organizations. Learning is connected with a company's ability to adapt to a rapidly changing environment. Essential to learning is the gaining of germane knowledge and the increasing of the existing extant knowledge base (Ellerman, 1999; Ellinger, Watkins & Bostromssss, 1999; Wikramsinghe & Schaffer, 2005). Through learning, organizations are better equipped to react faster and to fully exploit opportunities thereby placing themselves in a position of competitive superiority.

What is a Learning Organization?

Learning organizations are not simply the most fashionable or current management trend, they can provide work environment that are open to creative thought, and embrace the concept that solutions to ongoing work-related problems are available inside each and every one of us. All we must do is tap into the knowledge base, which gives us the “ability to think critically and creatively, the ability to communicate ideas and concepts, and the ability to cooperate with other human beings in the process of inquiry and action (Navran Associates Newsletter 1993).

A learning organization is one that seeks to create its own future; that assumes learning is an ongoing and creative process for its members; and one that develops, adapts, and transforms itself in response to the needs and aspirations of people, both inside and outside itself (Navran Associates Newsletter 1993).

What learning organizations do is set us free because employees no longer have to be passive players in the equation; they will learn to express ideas and challenge themselves to contribute to an improved work environment by participating in a paradigm shift from the traditional authoritarian workplace philosophy to one where the hierarchy is broken down, and human potential is heralded. Learning organizations foster an environment wherein people can “create the results they truly desire” and where they can learn o learn together for the betterment of the whole (Rheem1995, 10).

Peter Senge is a leading writer in the area of learning organizations, whose seminal works *The Fifth Discipline: The Art and Practice of the learning organization*, and *The Fifth Discipline Field book: Strategies and Tools for Building a Learning Organization* explain that there are five disciplines, which must be mastered when introducing such an s

1. Systems Thinking- the ability to see the big picture, and to distinguish patterns instead of conceptualizing change as isolated events. Systems thinking need the four disciplines to enable a learning organization to come about. There must be a paradigm shift- from being unconnected to interconnect to the whole, and from blaming our problems on something external, to a realization that how we operate, our actions can create problems (Senge 1990, 10).

2. Personal Mastery- begins “by becoming committed to... lifelong learning,” and is the spiritual cornerstone of a learning organization. Personal Mastery involves being more realistic, focusing our careers to facilitate realization of potential (Senge 1990, 11).

3. Mental Models- they must be managed because they do prevent new and powerful insights and organizational practices from being implemented. The process begins with self-reflection, unearthing deeply held belief structures and generalizations, and understand how they dramatically influence the way we operate in our own lives. Until there is realization and a focus on openness, real change can never be implemented (Senge 1990, 12).

4. Building Shared Visions-visions cannot be dictated because it begins with the personal visions of individual employees, who may not agree with the leader’s vision. What is needed is a genuine vision that elicits commitment in good times and bad, and has the power to bind an organization together. As Peter Senge contends, “building shared vision fosters a commitment to the long term” (Senge 1990, 12).

5. Team Learning- is important because currently, modern organizations operate on the basis of teamwork, which means that organizations cannot learn if team members do not come together and learn. It is a process of developing the ability to create desired results; to have a goal in mind and work together to attain it (Senge 1990, 13).

To summarize, a learning organization does away with the mentality that it is only senior management who can do all the thinking for the entire Corporation. It challenges all employees to tap into their inner resources and potential, in hopes they can build their own community based on principles of liberty, humanity, and a collective will to learn.

The importance of knowledge management in learning organizations

Increasingly, knowledge is becoming the critical success factor in most businesses. Only learning organizations that allow employees to pick up new knowledge, sharing it across the organization and innovate constantly will generate a sustainable competitive advantage in relation to other players. Effective leverage of knowledge is necessary to enable a company to think differently from the herd, process information more intelligently, come to different conclusions and to make different decisions to move ahead of competitors.

Knowledge is a particularly valuable asset. Among all assets, it is the one most likely to lead to a sustainable competitive advantage. The economics of knowledge is different from other assets. The cost of producing knowledge is little affected by how many people eventually use it. Knowledge also provides increasing returns. Unlike traditional physical goods that are consumed as they are used (providing decreasing returns over time), knowledge provides increasing returns as it is used. The more it is used, the more valuable it becomes, creating a self reinforcing cycle.

Knowledge is also difficult to replicate. Knowledge, especially context-specific, tacit knowledge tends to be unique and difficult to imitate and cannot be easily purchased in the marketplace. Knowledge-based competitive advantage is to sustainable because a firm that already knows is better placed to learn. As Michael Zack has put it, learning opportunities for an organization that already knows something that uniquely insights and create even more valuable knowledge.

Because of the criticality of knowledge, KM initiatives in many companies are being championed by CEOs themselves. British Petroleum (BP) is a good example. KM received great example. KM received great attention when John Browne became CEO in 1995. As Browne once explained: "Learning is at the heart of a company's ability to adapt to a rapidly changing environment...In order to generate extraordinary value for shareholders, a company has to learn better than its competitors and apply that knowledge throughout its business faster and more widely than they do...The wonderful thing about knowledge is that it is relatively inexpensive to replicate, if you can capture it. Most activities or tasks are not one time events. Whether it's drilling a well or conducting a transaction at a service station, we do the same things repeatedly. Our philosophy is fairly simple: Every time we do something again, we should do it better than the last time."

Knowledge, more often than not, resides in pockets. The strategic challenge for organizations is to facilitate the sharing of this knowledge both horizontally and vertically

and leverage it across the organization. As Barlett and Ghoshal put it, “in the end, a company cannot gain advantage from accumulating islands of information and pockets of expertise in isolated units must be linked in a rich horizontal flow of information and knowledge that can routinely diffuse critical expertise and transfer best practices organization wide.”

While on the subject of KM, we need to clear that all jobs, functions and positions in an learning organization involve the use of some form of knowledge or the other.

Organization and their key elements

A learning organization values the role that learning can play in developing organizational effectiveness. It demonstrates this by having an inspiring vision or learning and a learning strategy that will support the organization in achieving its vision.

The leadership of a learning organization is committed to the importance of learning and clearly communicates that learning is critical to organizational success. The leadership recognizes the importance of providing the motive, means and opportunity for learning: (i) the motive being the “why?”-the purpose and reason for learning; (ii) the means being the “how and what?”-the models, methods and competencies required; and (iii) the opportunity being the “where and when?”-the spaces for learning. Leaders take an exemplary leading role in creating and sustaining a supportive learning culture.

The structure of a learning organization takes into account the common obstacles to learning so it is carefully aligned with strategy, avoiding the development of “silos” and minimizing unnecessary levels of hierarchy.

Communication systems are used to facilitate the lateral transfer of information and knowledge across formal structural boundaries. In decentralized and geographically spread organizations, particular care is taken to use communication to encourage lateral communication and to overcome the increased danger of the development of “silos”.

Adequate resources are allocated for learning in terms of time, space, specialist support staff, and budgets for Knowledge Management and learning infrastructure, formal and informal communities of practice and other value networks(both internal and external), and learning and development programs. Support to communities of practice, for example, is extended in a structured manner throughout their life cycle.

To stimulate creativity and generate new insights and innovative practices, a learning organization takes a balanced approach to the importance of both planned and emergent learning. Planned learning is addressed through the careful reflection through probing questions that draw on data and information from monitoring, review, and self-and independent evaluation.

Emergent learning is equally important but takes an inherently more speculative and opportunistic approach. It is dependent on encouraging a passion for learning and knowledge sharing among staff members, developing competencies, creating opportunities for informal sharing, and cultivating a supportive learning culture.

Failures and unintended outcomes are the focus of constructive discussions leading to new approaches. When such incidents involve clients, care is taken to protect their reputation.

People in learning organization

A learning organization needs people who are intellectually curious about their work, who actively reflect their experience, who develop experience-based theories of change and continuously test these in practice with colleagues, and who use their understanding and initiative to contribute to knowledge development. In short, it needs people who are reflective practitioners. Reflective practitioners understand and documented lessons learned, are used in planning new initiatives to reduce the likelihood of repeated unintended negative outcomes. Action learning is used to tackle more intractable challenges.

A learning organization recognizes the importance of a resilient organizational memory. Learning organizations ensure that individuals and teams are encouraged to use a range of ways of surfacing their tacit knowledge and making it available to others through carefully targeted documentation and collaborative working practices. Recognizing that organizations change in the direction in which they inquire, they leverage their powers of appreciative inquiry. Documentation is made accessible to others in the organization with a range of user-friendly information and communication technologies.

Learning organizations are networked with the wider world. They know how to create and run partnerships. Collaborative mutual learning arrangements with other organizations are common and fruitful.

Technology

Learning organizations know how to harness the power of information and communication technologies-without these technologies constraining knowledge management and learning. In a learning organization, information and communication technologies are used, among other purposes, to strengthen organizational identity; build and sustain learning communities; keep staff members, clients, and others informed and aware of corporate developments; create unexpected, helpful connections between people and provide access to their knowledge and ideas; encourage innovation and creativity; share and learn from good practices and unintended outcomes; strengthen relationships; develop and access organizational memory; share tools, methods, and approaches; celebrate successes; identify internal sources of expertise; and connect with the outside world.

The creative use of information and communication technologies such as shared document drive, intranet pages, online communities and networks, wikis and other collaborative work spaces, blogging and online storytelling, staff profile pages, online webinars, pod casts, and social network analysis indicates that an organization takes learning seriously.

Finally in a learning organization, sufficient opportunities are provided for staff members to learn how to use of available information and communication technologies for knowledge management and learning their strengths and limitations and have a range of tools, methods, and approaches for knowledge management and learning, individually and in collaboration with others.

Reflective practice flourishes when people experience a high level of psychological safety and trust, and it is undermined when they believe that they cannot rely on colleagues. Team work is, therefore, a vital ingredient of a genuine learning organization. Indeed one characteristic of teams in learning organizations is that they operate as learning communities in which sensitively expressed dissent, conflict, and debate are encouraged as positive sources of learning. Developing the safety and trust on which reflective practice and positive teamwork depend requires careful attention to relationship building and the management of individual and collective performance.

To grow and protect the investment made in staff members, a learning organization pays careful attention to developing and retaining its people. Closely linked to development and retention of staff members are the importance of recognition and incentives for learning. Learning organizations ensure that time and effort spent on effective knowledge management and learning are recognized as core activities in the organization's time and performance management systems. Rewards for contributing to learning and knowledge development can be more conventional (e.g., career advancement, increased income, and greater formal status) or may be less conventional (e.g., informal peer status, time made available for study, or public acknowledgement for an innovative contribution made).

Learning organizations also provide wide range of opportunities for individual and collective learning and development. Learning and development programs are available to ensure that individuals and teams develop the competencies of reflective practice and collaborative learning. While learning and development systems may focus on more formal programs, a learning organization is one where the maximum benefit is also leveraged from other learning opportunities such as day-to-day work experiences, team meetings, short-term secondments, and membership of task groups.

In a learning organization, an important source of individual learning and development is coaching and mentoring support from managers, specialists, and other experienced colleagues. High quality coaching and mentoring can help reflective practice flourish. However, both involve skills that cannot be taken for granted and must be consciously developed in the organization. It cannot be assumed that good contract managers and technical specialists automatically make good coaches and mentors.

Learning organizations require and courage the development of leadership competencies at all levels in the organizational hierarchy, not just at the top. Leadership is viewed as a valuable skill that is based on the possession of expertise and knowledge, not simply positional status.

How to Achieve the Principles of a Learning Organization

The first step is to create a timeline to initiate the types of changes that are necessary to achieve the principles of a learning organization.

Timeline: in order of Appearance

- Stage one is to create a communications system to facilitate the exchange of information, the basis on which any learning organization is built (Gephart 1996, 40). The use of technology has and will continue to alter the workplace by enabling information to flow freely and to “provide universal access to business and strategic information” (Gephart 1996, 41). It is also important in clarifying the more complex concepts into more precise language that is understandable across departments (Kalpan 1996, 24).
- Stage two is to organize a ‘readiness questionnaire’: tool that assesses the distance between where an organization is and where it would like to be, in terms of the following seven dimensions. “Providing continuous learning, providing strategic leadership, promoting inquiry and dialogue, encouraging collaboration and team learning, creating embedded structures for capturing and sharing learning, empowering people toward a shared vision, and making systems connections” (Gephart 1996,43). This is administered to all employees or a sample of them, and will develop an assessment profile, used to design the learning organization initiative (Gephart 1996, 43).
- Stage three is to omit to developing, maintaining, and facilitating an atmosphere that garners learning.
- Stage four: with the help of all employees, create a vision of the organization and write a mission statement (Gephart 1996, 44).
- Stage five is through training and awareness programs, try to expand employees behaviors to develop skills and understanding attitudes needed to reach the goals of the mission statement, including the ability to work well with others, become more verbal, and network with people across all departments within the organization (Navran 1993).
- Stage six is to “communicate a change in the company’s culture by integrating human and technical systems” (Gephart 1996, 44).
- Stage seven is to initiate the new practices by emphasizing team learning and contributions because they will become more interested in self-regulation and management, and be more prepared to meet the challenges of an ever-changing workplace (Gephart 1996, 44).
- Stage eight is to allow employees to question key business practices and assumptions.
- Stage nine is to develop workable expectations for future actions (Navran 1993).

- Stage ten is to remember that becoming a learning organization is along process and that small setbacks should be expected. It is the journey that is the most important thing because it brings everyone together to work as one large team. In addition, it has inherent financial benefits by turning the workplace into a well-run and interesting place to work; a place which truly values its employees.

Conclusion

The perfect Learning Organization is not an attainable goal; it is merely a desirable concept: there is no correct implementation of the learning organization. Every company can continuously adapt and adjust and some will be better learning organizations than others, but every one of them has something new to learn. Finally, it should be mentioned that the learning organizations is just a means to a business goal, created to improve productivity and the most importantly profit. Effective KM implementations can give these learning organizations the much competitive edge in today's business world. Let us conclude this paper with a quote from Zack: "some view knowledge management as merely the current business fad. Yet knowledge is the essence of humans as individuals and collectivities. Respecting and institutionalizing the role of knowledge and learning may be the most effective approach to building a solid and enduring competitive foundation for business organizations."

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