

Knowledge Management and Organizational learning: The mutual impact

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Abstract. The goal of this essay is to clarify why knowledge management and organizational learning (OL) as the key elements in organizations should be emerged and recruited simultaneously. Considering the applied aspects of knowledge management (KM), organizational learning would be a vital factor in efficient development of knowledge and experience through the organization. Therefore any effort done without creative learning to keep competitive advantages and knowledge development would be in vain. First we describe OL and KM and then by the aid of knowledge learning model, the necessity of combining them in order to accomplish the set goals is described. Eventually we come into the conclusion that KM and OL are interrelated, interdependent and inseparable subjects. In other words they are the two faces of the same coin and should not be verified solely because each part is another part's completion.

Key Words: Organizational Learning- Knowledge Management- Organizational Behavior- Learning Organization.

1. Introduction

In recent years, the ways of creating, storing, managing of knowledge has been noticed via learning processes, but the written books by scholars are less integrated because most of them offered new view points of regardless of others' opinions. We should initially integrate these view points of in order to use the KM in operational processes of organization (Nonaka and Toshiro, 2000). Organizations should carry out changes or adapt with the changes and create new theories. Because of the above mentioned reasons: organizational development (OD), Learning organizations (Senge 1990), Organizational Learning (Pedlar Burgoyne 1999) Innovation Process (Davenport, 1998) and Knowledge Management (Nonaka, 1995) has strongly been noticed. Scholars found that organizations' ability in generating continuous and new competitive advantage depends on how fast and how much it learn. By doing so, they have the ability to use successful management methods and can create new management systems by which organizations can create new values for customers; therefore, learning became the major pursuit of organizations (ghadirian, 2003). This requires both an understanding of their different properties and goals, and also of their relationships. In this essay, organizational learning and KM are primarily described, and then interactions between OL and KM are defined according to the conceptual pattern.

2. Organizational learning

OL is based on the knowledge and experience which exists in the memory of organization and depends on mechanisms like policies, strategies and models for storing knowledge. Individuals and groups are the elements that by them OL is accomplished. OL is subjected to the sharing of knowledge, beliefs and presuppositions among group members (Argyris 1996).

According to the above mentioned definition, specifications of OL process are explained below:

- It changes organization's knowledge.
- Extend possible opportunities.

- It changes people's attitude.

The learning equity is defined as below (Marquardt 1995):

Learning = Planned education (every day used knowledge) + Questions (a new insight about the unknown materials)

Simply we can say; $L = P + Q$

3. Concentration on KM

During the last decade the term KM has gained a great attention in business. The reason of this attention is that many managers of different organizations consider KM as a process which enables the organizations to benefit from the knowledge capacities in creating *value* within them. That's why many managers consider it as a future competitive advantage and use it in different areas such as R&D (research and development), pharmaceuticals, marketing and software engineering (Goh, 2004).

An important progress in defining knowledge is gained due to the discriminated definition of knowledge, information and data each. Data is a collection of facts about a specific phenomenon. Information is organized and classified data in a meaningful pattern and knowledge is the information combined with experience, background, definition and thoughts that ultimately makes it possible to have a right action (Davenport & Prusak, 1998).

3.1. Pragmatic knowledge management

There are many varying definitions of knowledge - with each offering differing potential for new insights - and serving as the sources of organizational innovation. Pragmatically, knowledge management is the process of scientifically discovering the antecedents of effective action and designing systems to enable people to operate core knowledge processes that integrate beliefs, reasoning, and knowledge. A pragmatic view of knowledge proposes that KM should include the following features (Cavaleri and Reed, 2000).

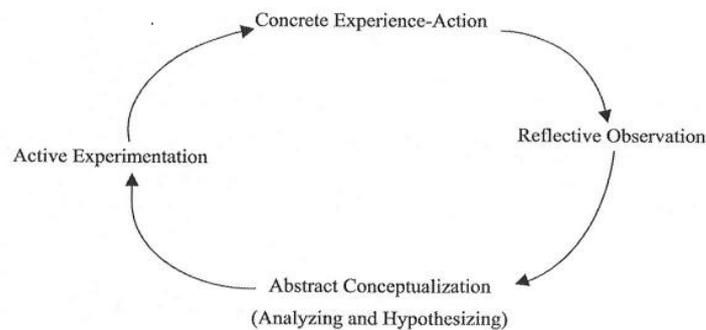


Figure1: Action-oriented view of knowledge

3.2. The key differences between OL and KM

Easterby-Smith and Lyle's (2003) framework (figure 2) is helpful for locating the different focus areas of the broader literature around two axes. One axis draws a distinction between work that focuses on theory and tends to come from academic sources, and work that which takes practice as its starting point, usually produced by managers or management consultants drawing on their personal experience. The difference between organizational learning and the learning organization has been clearly articulated by a number of authors: the focus of the former being on the enquiry into the ways in which organizations learn; and the latter taking a more pragmatic and inspirational approach to describing the characteristics of an organization which successfully learns. Easterby-Smith and Lyle draw a similar contrast between the more theoretical and more practice oriented approaches to understanding knowledge and how it is shared, terming the former organizational knowledge and the latter knowledge management.

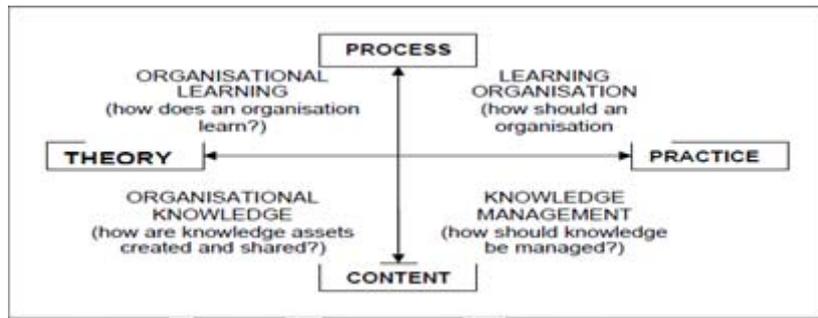


Figure 2 – Easterby-Smith and Lyle’s framework)

The framework further divides approaches according to their focus on process and on content. Reference to dictionary definitions helps to highlight this contrast, as each of the words “knowledge” and “learning” have both a process and a content angle to their definitions:

	Process	Content
Knowledge	“Awareness or familiarity gained by experience of a fact or situation”	“Facts, information, and skills acquired through experience and education”
Learning	“The acquisition of knowledge or skills through study, experience or being taught”	“Knowledge acquired in this way”

Figure 3- Framework further divides approaches basic on process and content

Approaches that look at knowledge and knowledge management tend to take content as their starting point, viewing knowledge as an asset or a resource, a commodity which individuals and organizations can acquire (Vera and Crossan, 2003).

4. A Conceptual Model of OL and KM

Based on our literature analysis we have developed a holistic conceptual model including both OL and KM. Even if the holistic perspective implies that the model is on a fairly generalized level, it is necessary if the aim, to serve as a basis for developing guidelines for how to introduce KM and the work to become a Learning Organization, should be fulfilled. The model is presented in Figure 4. Learning and knowledge-creating is performed by individuals, but it is important for the organization to provide the appropriate context for them (Nonaka, and Takeuchi. 1995).

A LO is an environment that promotes a culture of learning, and that ensures that individual learning enriches and enhances the organization as a whole. (Kezar,2005)

KM aims to create value for the organization (Wong and spinwall, 2004). It enables individual learning, and in an organizational perspective this individual learning contributes to both the organizational learning and processes. All in order to reach business values KM must also be integrated into every mission critical business process, (Loermans, 2002) and be adapted to business and knowledge processes. (Remus, and Schub, 2003).

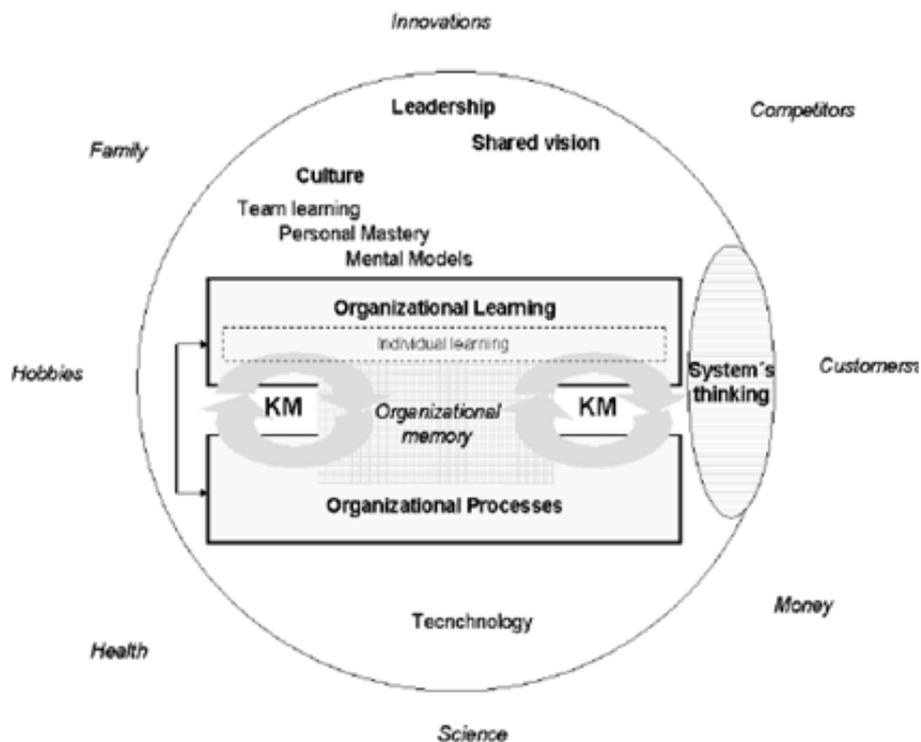


Figure4. A Conceptual Model of OL and KM

5. Learning process in organizations

Gilbert Probst and S. Roub and K. Romhardt consider OL as the equivalent of KM. In this process the organization will study the current state of the existing knowledge within the environment and will provide its needed knowledge from outside of it or will produce it inside it and distribute it among the individuals and units of the organization to make use of them in a proper time and then will try to keep the organization's knowledge updated (Probst, 2000).

The essential of all the learning strategies is to create an environment to increase the potential capacity of the learners. Nonaka and Takeuchi (2000) consider every kind of learning as the result of creating knowledge through implicit and obvious knowledge interactions. The implicit knowledge is personal and abstract. Then it is difficult to formulize it or to transmit it through a formal relation. A large part of the organization's knowledge is implicit which is not visible and is hidden in the employees' and managers' minds. Some theorists believe that 70 per cent of the organization's knowledge is implicit (Alec Verna, 1997).

Extensively, creating the implicit knowledge - which exists only in the minds and thoughts of individuals - is considered as a key component of the organizational knowledge because this knowledge has some roots in the individuals' experiences and transferring such knowledge is difficult.

On the other hand, the obvious knowledge can be transferred through encoding and the official language. The difference between these two is shown in the table 2.

Table1- difference between two types of knowledge [Nonaka & Takeuchi, 1995]

Tacit knowledge	Explicit knowledge
subjective	objective
experimental knowledge	Realism knowledge
Parallel knowledge	Series knowledge
Analogue knowledge (practice)	Digital knowledge (theory)

Nonaka and Takeuchi explain the knowledge creation process in a corporation through using two elements: form and level. In this approach they define two interactions for knowledge creation: the interaction between the explicit and the tacit knowledge (the interaction between two forms of knowledge)

and the interaction between the individual and the organizational knowledge (interaction between two levels). These interactions will create four knowledge creation processes in the corporation. This implies that knowledge is not a concrete reality as an object so that it can be considered as the information, but it is created and grows up through a continual four-staged learning process. Nonaka calls these two forms of knowledge as “the process of changing and transformation of knowledge”. (Figure 5)

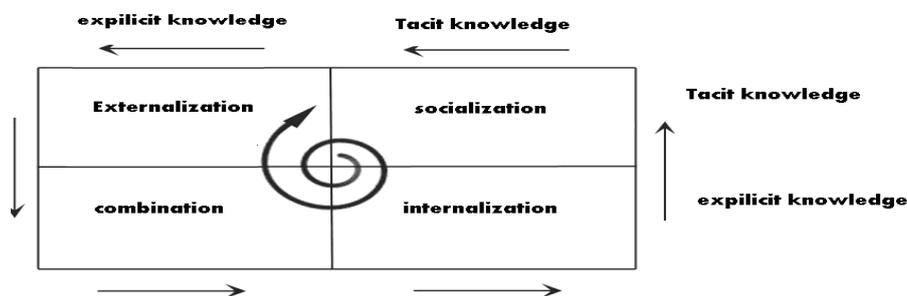


Figure 5: knowledge process model [Nonaka, 1995]

Although the existence of each of the TK models is necessary for OL and each of them can be effective in special contexts, but the interaction among these four states is needed for learning and OL.

Therefore the need for learning in the learning organization begins with knowledge socialization and completes with knowledge internalization, however, the individuals with their findings, experiences, mental models, etc. are the main concentration point of it but the need for OL is a result of individuals or work teams interactions.

Therefore, OL is the process in which all of its members are always improving themselves and sharing their knowledge in order to achieve their organizational goals.

6. Conclusion

Knowledge management presumes that managers are not the only people who can have useful ideas in an organization. Managers must therefore create broadly based knowledge sharing and learning processes that stimulate and draw on the learning of all individuals and groups in generating the best possible flow of new ideas for their organizations. In the knowledge economy, therefore, managers cannot lead by the power of their formal authority, but rather must lead by stimulating and harnessing the power of ideas generated by learning processes throughout their organization. Rather, to create real commitment and motivation in organizational action, managers must first create active organizational learning processes in which all knowledge worker can become involved and contribute their ideas.

What this means in practice is that managers must increasingly take responsibility for committing their organizations to action not on the basis of their own personal ideas, but on the basis of the best ideas generated by the learning processes of their organization.

The conceptual and philosophical roots of knowledge management and organization learning have been examined toward comparing their similarities. Newer versions of KM and OL share much common ground in the notion of action learning cycles, knowledge claims, a focus on effective action, and a recognition of the important role played by mental models and belief systems. Contemporary KM approaches are knowledge-process centric and give equal weight to creating knowledge as much as distributing existing knowledge. Many of the key functions in OL, such as dialogue, team learning, creating a shared vision, and viewing planning as learning are all elements of what KM considers to be knowledge processing. The result of these two principles is the creation of learning culture and a common culture among the employees. On the other hand the management plays an important role in supporting OL because it facilitates the effective distribution of the collective knowledge of the whole organization. As discussed, OL and KM are interrelated and interdependent subjects in a way that one part is imperfect without the other and victory of one will not take place in the absence of the other.

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