

## THE ROLE OF LEARNING ORGANIZATION IN KNOWLEDGE MANAGEMENT PROCESS

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**Abstract:** The content and the organization of work represent dimensions which do not only involve mobilizing competencies but are also dimensions in which competencies are developed. In an organization people create, accumulate or transfer knowledge, ideas, values, attitudes, feelings or experiences. The goal of a learning organization is to improve competency diffusion, to enrich them and to capitalize experiences. Chaos arises when the level of learning of the enterprise reaches a point in which it can no longer deal with the changes in the environment it functions in. In this work we shall try to discuss the potential for transformation of organizations, constantly challenged, even in the world of knowledge.

**Key words:** learning organization, active learning, knowledge management, organizational learning

### Conceptual Clarifications

The world and enterprises are dealing with management problems against a growth of the amount of knowledge and information, which become out of date in various periods of time, both from a human and technological point of view. These problems have been foreseen since 1978 when C. Argyris and D. Schön came up with the “birth certificate” for the organization of the future (*Organizational learning, a theory of action perspective*). The second key work is the Peter Senge’s *The fifth discipline*, which sets the basis for the functional norms of intelligent organizations.

Knowledge management is the process in which the competencies from the competency base of the organization are coordinated and organized. This process involves: *grouping knowledge* into different types according to certain criteria; *storing competencies* which has as a purpose efficiently preserving knowledge in the information infrastructure of the organization; *classifying the competencies*; *selecting* the most adequate competences; *the dissemination of the competencies* that is, making them available for the members and the stockholders of the organization. The process of knowledge management has developed mostly by virtue of the information and communication technology systems. The present forms of the knowledge management focus on processes of explicit knowledge management.

A competency represents the ensemble of characteristics that enable a person to achieve a higher performance in a certain domain, a role or a given situation. An approach based on competencies allows the establishment of a competency reference system based on the highest performances. This scheme guides recruitments, the establishing of a wages policy, applying systems which will allow “performers” to progress, establishing adapted training courses, career management etc.

Learning refers to the ensemble of efforts that a person makes in order to understand, assimilate and react to elements of the environment. As learning is a social process, people learn everyday at their work. Developing personal and organizational capacities primarily depends on learning. Learning is not limited to simple knowledge, but also comprises competencies, ideas, beliefs, values, attitudes, habits, feelings, experiences, common conceptions and self-conscience.

A learning organization is an organization which facilitates learning for all its members and its own continual transformation, by developing and improving its own practices while conceiving and consciously and constantly applying methods of learning based on its own experience and the experience of other organizations. Its primary goal is to develop a collective intelligence, a key element of durable development. Knowledge management represents the way to reaching this desideratum (Jean-Yves Prax).

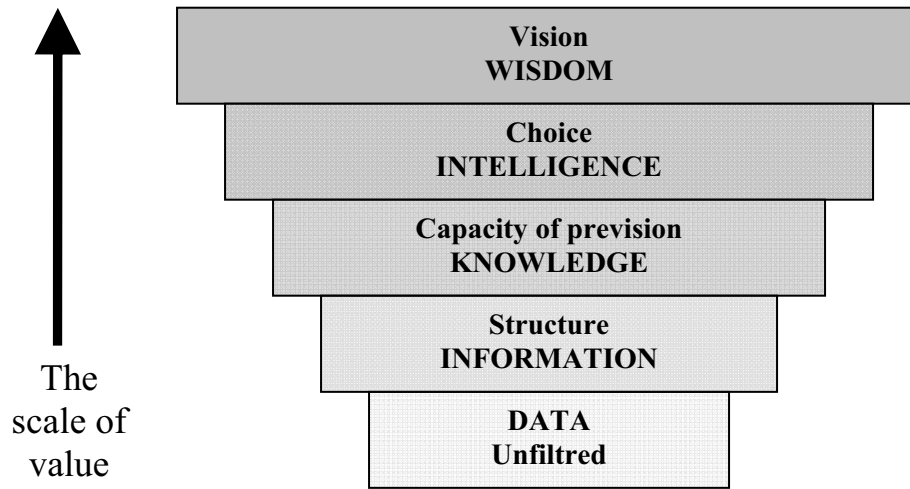
The concept of learning organization is in close connection to the concept of organizational change as a means of achieving a dynamic competitive advantage. The fundamental difference is that learning is part of the strategy “oriented to specific resources” and not “oriented to flexible resources”, in which the available resources are turned into unique strategic competencies which cannot be copied by other organizations.

If we refer to organizations and learning we must also mention what Reg Revans called Active Learning, a method used for personal training, training specialists and organizational learning. Grouped in small teams (named active learning groups) people approach important and learn from achievements in order to change things. Active learning includes four elements: the person itself, the active learning group, the respective problems and the measures taken in order to solve the problems which allow learning.

The set of values that organizations work with and which constitutes the subject of learning is a complex one and has determined theoreticians to establish conceptual hierarchies of knowledge. The model of the five levels<sup>15</sup> that we present below reflects the progressive accumulation of the value of the data as they turn into competencies (see figure 1). Therefore, it is obvious that the data are a priori than isolated elements. When elements are placed into context and combined within a structure, the information acquires higher values. The information acquires new meanings by interpretations and assimilations, thus turning into knowledge. On this level, information is placed inside a mental structure and can be consciously used, for example, in order to anticipate future consequences or to make a decision. By using this knowledge in making different choices we behave in an intelligent way. Eventually, by orienting intelligent behavior to a sense of duty and tactic vision, we can state that this behavior is based on wisdom. Each transition enriches the value of the initial data thanks to human efforts. This model of knowledge building is somewhat similar to the linguistic process of using letters to build words which are then combined into coherent sentences and later into elaborate judgments which can influence behaviors.

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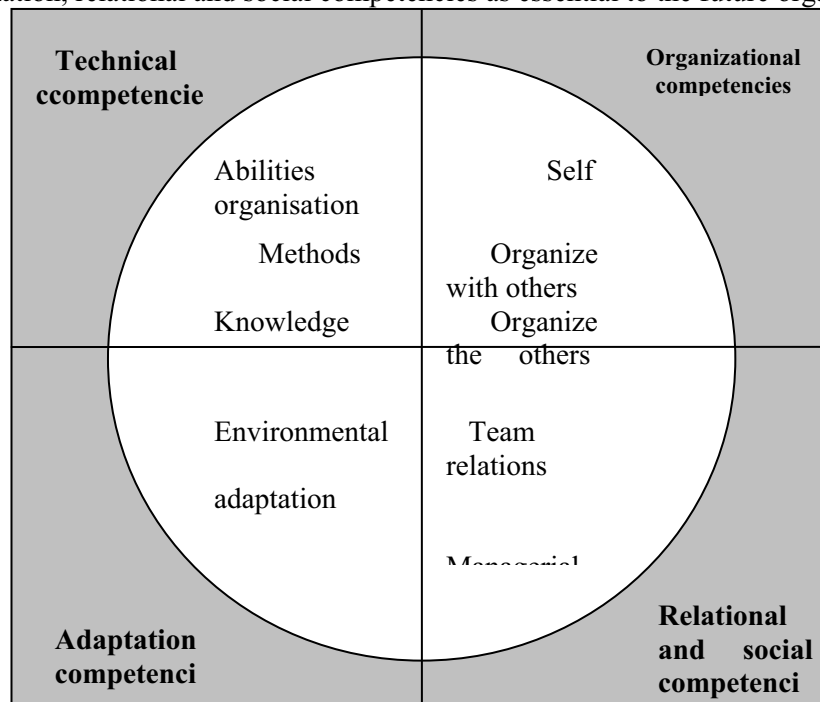
<sup>15</sup> Britton Bruce - *L'apprentissage organisationnel dans les ONG*, International research and training Center, Oxford, 2005, p. 53.



**Figure no. 1 The hierarchy of knowledge**

In order to achieve maximum efficiency, knowledge has to be systematically accumulated and distributed in order to consolidate basic competences and the visions of the organization.

On the other hand, the amount of competencies is infinite and there is a need for their systematization. We shall discuss the representation of the classification done by Claude Flück<sup>16</sup>, who sees technical competencies, adaptation competencies, organization, relational and social competencies as essential to the future organizations.



**Figure no. 2 The four types of competencies**

<sup>16</sup> Flück C., *Competences et performances, une alliance reussie*, Edition Demos, 2001.

### **Organizational learning – a strategic priority**

In the process of evolution and learning of an organization, its members must share a permanent common goal of developing their competencies. On all markets, competition is becoming harsher and harsher and companies must adapt by developing strategies which center on promoting learning and encouraging new ideas. A learning organization is therefore an excellent source for competitive advantages.

Organizations cannot rely anymore on a single leader or on a small leading committee. The more perspectives and points of view, the wider will be the capacity of the company to understand and learn at all levels. The learning organization also promotes the principles of goal complementing between the members, cooperation, self accomplishment etc.

A new process is always difficultly accepted and reluctant attitudes cumber the efforts of managers trying to transform learning organizations. This is a very serious matter of overcoming prejudices, unchangeable behaviors and beliefs.

### **The nature of the learning organization and the knowledge management system**

As we have already shown, in a learning organization, employees get over a passive attitude and choose to constantly develop their capacity of achieving the desired results. Some theoreticians (Chris Argyris) argue that the greatest benefits of this kind of organization are the increase of the capacity for noticing and remedying errors as well as identifying opportunities or inadequate moments. Japanese organizations owe their success to the abilities and the intensive promotion of organizational learning.

As far as the modality in which organizations learn is concerned, the “social” way represents the rule. By working together, people learn to achieve the common goals. Individuals help one another to learn and form groups which make the whole organization efficient. Learning is collective and interrelational and contributes to the shaping of an emerging vision.

We can consider that learning proper belongs to the following three interconnected areas: individual learning, team learning and systemic learning. Its social character is much more important than the personal aspect, development takes place with the help of the others, dialogue and cooperation are essential components of learning and cultural practices (beliefs, practices, values) are defined by social contacts as well.

The opportunity of initiating an organizational learning lesson can arise any time, but mostly during quality workshops and employee training programs. In this way, attitudes, systems of values and models for organizational behavior can be analyzed. A learning organization isn't one which develops via continual training programs of its employees but one which grows thorough individual and collective aptitudes.

A primary characteristic of the learning organization is its need to be projected and systemically organized, to be conceived as a common direction to progress. Although generally accepted, this direction for action is not a personal initiative of each person but one that needs coordination.

Only by using dialogue do individuals gradually learn through mutual questions, common research and exchange of opinions. Through a permanent dialogue, individuals create a climate of trust and can undertake research and explorations and develop cohesive values and conceptions within the organization. However, a

permanent dialogue presupposes overcoming prejudices and stimulating group reflection, emotions and actions.

Such an organization should have the following characteristics:

1. to constantly provide learning opportunities;
2. to use instruction in order to achieve its goals;
3. to find a connection between individual performance and organizational performance;
4. to encourage dialogue and to create an environment able to encourage the employees to express their opinions and to take chances;
5. to permanently keep in mind the connection with the environment in which it works.

Moreover, overcoming preconceived ideas and judgements represents another characteristic of the learning organization. That is why individuals who have a capacity to analyze, interpret, transfer and retain knowledge are appreciated. It is not enough to have multiple points of view, the members of the organization should be capable to revise and reformulate their own beliefs.

Among the characteristics of the organization we may also mention the development of a constructive sense, oriented towards novelty, dynamics, flexibility and multiple interconnections.

In order to achieve a high level of the knowledge management systems, companies must ensure continuity and an efficient access to data, an automatic organization of the data as well as their systematization and storing while conceiving instruments of expertise.

### **Barriers and opportunities**

The ability to learn is limited by certain economic, technological and mostly socio-human factors, which, at a certain level can represent a barrier to progress.

*1. Creativity.* The rigidity of organizations is caused by the incapacity of their members to acknowledge the imperfection of the present norms and their conceptions of the world. Although complexity and dynamism cause fascination, everybody has a tendency to simplify and fragment responsibilities. Although crises should represent learning and competency development opportunities, people prefer returning to the situation before the crisis. Creativity is refused, new ideas are reluctantly accepted, their authors unfortunately blamed. When faced with complex situations, very few accept the lack of competency.

Creativity is, actually, one of the defining characteristics of the learning organization. This characteristic determines the degree of adaptability of the organization, it helps noticing and foreseeing the necessities of the market it caters for. The level of creativity is given by the amount of fluidity (detail and fineness), of originality (singleness) and the frequency with which new ideas arise. The vitality and the quality of a learning organization may be determined by employing the following questions:

- among the goals of the organization is there the goal of learning the customers' wishes?
- is risk taking stimulated?
- are the efforts for innovating encouraged without imposing the recovery of the investment?

Some organizations have successfully tested the introduction of a culture of innovation. Managers have had resources for testing the serious ideas. These leaders were forced to listen to all the suggestions of their employees and to justify the rejection of each proposal.

2. *The difference between individual learning and the learning organization.* In a learning organization models of action which can be applied both individually and to a whole part of the organization coexist. Peter Senge<sup>17</sup> argues that there are five individual characteristics that allow leading a learning organization:

- acquiring self-control;
- a clarification and a recheck of mental models;
- the building of a common vision;
- team learning;
- a systemic thinking.

However, we must not equal the sum of individually acquired knowledge and organizational learning. Acquiring knowledge in an organizational context presupposes creative qualities as well as fellowship and cooperation.

Aspects such as organizational culture, employee attitudes and a low level of training resources hinder the acquisition of new competencies. On the other hand, mutual trust and respect between members, the wish for learning, facilitate organizational learning.

3. *The rigidity of the organization.* Some managers fail to understand the role of organizational learning if the new conceptions do not correspond to standards and regulations. The rigidity of the organization thus blocks innovation. When members take defensive positions, their resistance to learning becomes quite serious.

4. Another barrier to developing a learning culture is *the level of personal interactions*, as human learning is not identical to technological learning. A lot of people are content with working with synthetic impersonal and quantitative information of standards, ethic codes, norms and regulations. Work should also involve to a higher degree feelings, emotions, beliefs and life experience.

Peter Sange identifies seven misconceptions<sup>18</sup> which expose as many organizational learning disabilities, among which we can count: "I am my job", "everybody is my enemy", "the ultimate rule is to be proactive and circumspect", "objectives should be established in a short-term", "we learn best from our personal experience".

In other words, we are talking about synergistic factors such as:

- creativity;
- abilities for organization and coordination;
- possibilities of communication.

Economic efficiency depends primarily on managing the human and social relationships.

### **A new conception, a new reality**

Never has the necessity for team organization been greater than now, said Peter Senge. Team learning is vital, as it is the teams and not the individuals themselves who are the fundamental learning unities in modern organizations and it is only through

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<sup>17</sup> in *La cinquième discipline*, FIRST, Paris, 1991

<sup>18</sup> *ibid.*, p. 35-42.

them that the organization can evolve. Team learning is the process which generates unity in action and helps develop the capacity of a group to obtain the results wanted by each of the members, starting from a common vision. Therefore, each member of the team must take part in dialogues and discussions. The first level of collective learning is team learning.

An efficient organization depends on the way in which every member distributes resources, offers and receives help, organizes his work and is open to cooperate with the people around him in order to achieve common goals. Such behavior appears only when there is trust and people believe that each member is contributing to the success of the organization and does not use the resources for personal gain, but for the gain of the organization<sup>19</sup>.

It is relevant to mention the fact that learning organizations can adapt to the environment, have a capacity for permanent change and allow both individual and collective learning. The essence of the learning organization is its capacity to use its member's extraordinary mental capacity to create such a process as to lead to its own improvement.

#### **The importance of leaders for learning organizations: qualities, roles, types**

Organizational management must continually aim at: change, internal harmony and diversity. The perpetual transformation within the organization (its structure, culture, systems, policies etc.) may lead to a feeling of uncertainty. Both managers and employees must develop abilities and competences which can sustain an efficient functioning of the organization during the process of *change*. Encouraging opinions and expressing new ideas lead to a constructive conflict and by avoiding extreme actions consensus can be reached (*internal harmony*). Problems can be solved in multiple ways and the opportunity of displaying solutions may facilitate personal contributions and bring personal satisfactions, but at the same time *diversity* in managerial decisions brings about competition, risk and stress.

The learning organization must renew its conception of leaders. Leaders become designers, trainers, teachers, entertainers, and assistants of learning. The managers must change their vision according to which they only have to take decisions and the employees must understand that performing their jobs is not enough. In a learning organization, leadership means knowing how to instruct and accompany. The position of a leader is exclusive, not authoritarian; it is learned and won.

Organizational learning may be considered a process through which the organization learns the "art of non-action" according to the Chinese principle Wu-Wei. In essence, the concept doesn't refer to passivity but to wisdom. The manager must examine the situation, listen to the opinions and the perspectives shared by the others, profoundly reflect on the situation and act only when he is convinced about what action is best.

According to specialists, leadership is essential for an organization which accepts, encourages and turns learning to profit. Leadership is essential for stimulating, encouraging the employees by virtue of their personal contribution to organizational learning. Among the principles of leadership, the most important for the learning organization are the following:

- prioritizing organizational learning as part of the global strategy;

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<sup>19</sup> Eugen Burduş – *Managementul schimbării organizaționale*, Economic Ed., 2003, p. 558.

- communication (the leaders understand and communicate the others the strategic importance of learning);
- legitimacy (at any level learning takes time and needs resources);
- the power of personal example, if leaders act exemplarily and promote personal involvement and collective work, sustaining and encouraging organizational learning. Leaders represent a source of inspiration for the employees.

#### **Resources mobilized by organizations: technological support, data bases and the role of the domain's future professions**

Like any theoretical and pragmatic, the learning organization brings about the initiation of specific professions and even a development of consulting societies for this domain. Large companies will employ new specialists<sup>20</sup> such as: *knowledge transfer experts* (people who collect knowledge from different sources, organize it so that anyone can use it and periodically update it); *knowledge management strategists* (people who elaborate strategies according to the knowledge base detained by the company – conduct an audit of knowledge sources, determine the requirements deriving from the mission, the assumed goal and objectives, strategic planning and determining its means of realization etc.); *knowledge designers* (specialists who design the rules and the knowledge base for the entire organization); *knowledge management officers* (people in charge with creating the knowledge infrastructure, the respective structure and processes and a learning-oriented and knowledge-accumulation organizational culture).

It is estimated that the amount of knowledge of humanity doubles every seven years; it is predicted that in 2050 this amount of knowledge will double every 72 days. It is for this reason that recent theoretical approaches aim to identify the competencies which would allow permanent learning and the skill of coping with incertitude<sup>21</sup>.

Traditionally, in companies take place transfers of competencies from the elder to the young; this traditional practice is called “apprenticeship, comradeship”. It still exists under different forms, from the informal to the formal ones: oral and cultural tradition involve sciences and strategic knowledge, apprenticeship periods, doubling different functions on a short or long term, the tutelage of disciples, presentational training, “knowledge café”, internal scientific congresses. Beyond these socialization solutions, the development of new technologies has speeded the formalization of the knowledge transfer by applying training, knowledge management exchange and collaboration methods. Whatever the form, the goal remains the same: improving the spread and the enrichment of science and capitalizing the acquired experience.

Implementing the new technologies has considerably modified traditional processes by offering multiple possibilities for the transfer of experience via electronic distance training (e-learning), using knowledge management methods (knowledge management), e-collaboration methods, using thematic and cross-cut forums...

Knowledge management and development are nowadays the main objective of training programmes in general. Companies practice such training methods in order to

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<sup>20</sup> Luban Florica, Breazu George - *Managementul cunoştinţelor*, Economia, nr. 1-2 / 2000, ASE, Bucureşti.

<sup>21</sup> Baranski Laurence – *Le Manager éclairé: Piloter le changement*, Édition d’Organisation, Paris, 2001, pag 313.



ensure the necessary competencies in informatics, linguistics and most of all on a technological level.

Through the permanent process of learning adjustment, learning organizations are constantly improving their efficiency. Permanent improvement is the only profitable way to keep up a competitive level of the organization. By permanently adjusting the way in which they fulfill their jobs, employees contribute to the growth of the company's capacity to accede to the demands of the market.

### **Conclusions**

Knowledge and knowledge management isn't a mere tool to use only in certain situations. It represents a far more complicated and long-termed approach, implying cultural changes which can modify the top management of the organization. The method we have described above is one of the many options that the Ford Company must perfect in the new production unity it will establish in Romania.

The development of employee competencies basically has three objectives: specificating the competencies useful for this new way of functioning, putting them into practice, or, more precisely, the degree to which their exertion is inhibited or facilitated, thus allowing the identification of the limits of exertion by the employee. These three goals deeply modify the means used for human resources management which accompany this approach of organizational change: establishing systems of reference, transforming training and mobility policies, the new role of professional relations rethinking wage policies.

Competency transfer will take place under different forms from the informal to the formal ones: oral and cultural traditions involve strategic competencies and knowledge, apprenticeship periods, doubling different functions on a short or long term, the tutelage of disciples, "knowledge café", internal scientific congresses etc. These solutions based on socialization, and the development of new technologies will accelerate the formalization of the knowledge transfer by applying training, competencies management, exchange and collaboration techniques.

The importance of a learning organization lies in its capacity to conceive a system which will allow collective professionalizing. The goals of training are not to re-qualify employees but to professionalize them.

While for some organizations the concept is clear and easy to put into practice, others will be confused. The learning organization is a philosophy, not a program. The concept has much to offer in the sense of reforming and reorganizing the organization. Building such an organization is a huge task which can start with a positive attitude to continual learning and with the image of a visionary process. A learning organization is permanently evolving. One can never say: There you go, I have created such an organization!

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