ORGANIZATIONAL LEARNING AND KNOWLEDGE MANAGEMENT

Chivu Iulia Mirela

Stanescu Aurelia

Nen Madlena

ASE Bucuresti, Iuliac@ase.ro, Aurelia_stanescu06@yahoo.com

Although at first the terms organizational learning and the learning organization were interchangeable, slowly the two concepts separated into two streams at the beginning of the 90s. The learning organization is at this point the prescriptive stream, oriented towards practice. This perspective centers on the characteristics of an organization that promote learning and facilitates the creation of a certain type of organization.

On the other hand, organizational learning is the descriptive model, centering on the process of learning in the organization. The roots of this concept are in social and cognitive psychology, and it has a strong academic orientation. The main question being how do organizations learn, this type of research often quotes the work of Argyris and Schon (1978, 1996), although an analysis these authors make of the two streams (1999) positions them as integrators.

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The last decade has witnessed an exponential growth of interest in organizational learning and knowledge-based management. This comes as a natural consequence of the ever more widespread understanding of the knowledge-based economy as a revolutionary change in the global economy. A series of publications have received widespread acclaim, reflecting the penetration of the concepts into the collective conscience: *Infinite wealth: A new world of collaboration and abundance in the Knowledge Era* by Barry Carter, *The Wealth of Knowledge: Intellectual Capital and the Twenty-First Century* by Thomas A. Stewart, and most of all the most recent publication of the famous futurologists Alvin and Heidi Toffler: *Revolutionary Wealth*.These books confirm the results of academic research and indicate a major change in production factors, namely that capital, as the traditional production factor, is losing out to knowledge and intellectual labor. Moreover, at the global level, knowledge is ever more accepted as the main source of competitive advantae (Harvey and Denton, 1999). Simultanously, trends in IT and communication technologies have radically transformed the capacity of organizations of any dimension to *access, keep, manipulate, share and disseminate knowledge* (Pemberton and Stonehouse, 2000). This technological and informational infrastructure creates the necessary conditions for organizations worldwide to compete or collaborate to create new economic results (Friedman, 2006). The importance of these concepts for the romanian economy is reflected in the INFOSOC research initiative – Strategies and Solutions for the Knowledge Society in Romania, coordinated by the Artificial Intelligence Research Institute.

Research demonstrates that indiviual learning does not easily transfer to organizational learning. On the other hand, new technologies now allow organizations to collaborate, think and act globally, as well as innovate at a scale and rhythm that was impossible up to now. Great managers, like the former HP exectuve Carly Fiorina, recognize that collaborating and leading horizontally requires a totally different set of skills and management from traditional hierarchical systems.

In order to prepare instruments, techniques and systems that will allow firms to go beyond these barriers and make use of efficeint knowledge based management, research adapted to local cultural and economical factors is needed, but also research based on a strong integrated theoretical base. Proposed research will integrate theoretical economical, cognitive and socio-cultural contributions in order to obtain a model of organizational learning that is applicable to Romanian reality, which will be a base for future applied research.

The fundamental research role will involve the investigation of the current state of related research, as well as provide personal contributions through the development of a new theoretical approach, as well as identifying new research problems.

The importance of organizational learning for achieving successful management in the new economy is reflected both in theoretical literature (Pemberton, 2000) and in practical research on integrating the two concepts in industries such as healthcare networks (Addicott, McGivern and Ferlie, 2006), construction (Lemons, 2005), logistics and supply chain management as well as large-scale manufacturing (Coe, 2005). Pemberton concludes: *Successful learning organizations create an organizational environment that combines organizational learning with knowledge management.*

Similarly to the knowledge-based economy and management, organizational learning is also a concept that has been around for quite some time, but has only recently become widespread. Beginning in the 60s and 80s, organizational learning has surfaced as **an answer to the challenges of organizational change**. Change was seen as a mechanical "repair and upgrade process necessitating external, authoritative experts. In the late 60s, a paradigm centered on the concept of organizational health surfaced (Bennis (1996) in Yeo, 2005), leading to an organizal, wholistic theory of the organization based on biological metaphors. This was the background that allowed the evolution of the concept of organizational learning, promoted by Argyris and Schon since 1978. However, it was Peter Senge's popular *The Fith Discipline: The Art and Practice of the Learning Organization*, published in 1990, that pushed the concept into the mainstream of management frameworks and systems. Senge's model of the five disciplines was enhanced by further research proposing new organizational learning enablers (Buckler (1996), Reynolds și Ablett (1998), Steiner (1998), Teare and Dealtry (1998) in Yeo, 2005).

Although at first the terms **organizational learning** and **the learning organization** were interchangeable, slowly the two concepts separated into two streams at the beginning of the 90s. The *learning organization* is at this point the prescriptive stream, oriented towards practice. This perspective centers on the characteristics of an organization that promote learning and facilitates the creation of a certain type of organization. Research is done mainly by practitioners: Drew and Smith (1995), Benoit and Mackenzie (1994), Moilanen (2001) (quoted in Sun and Scott, 2003), and Senge's work is the foundation of these types of research. On the other hand, *organizational learning* is the descriptive model, centering on the process of learning in the organization. The roots of this concept are in social and cognitive psychology, and it has a strong academic orientation. The main question being **how do organizations learn**, this type of research often quotes the work of Argyris and Schon (1978, 1996), although an analysis these authors make of the two streams (1999) positions them as integrators.

An analysis of the definitions given to organizational learning reveals a wide variety of themes, such as: **theory in action** (*In a learning organization, individuals are the key where they are acting in order to learn, or where they are acting to produce a result. All the knowledge has to be generalized and crafted in ways in which the mind and brain can use it in order to make it actionable.,* Argyris, 1993); **renewal** (*Organizational learning is learning about learning. The outcome will be a renewed connection between employees and their work, which will spur the organization to create a future for itself.,* Braham, 1996); **organizational change** (*Organizational learning is the ability to adapt and utilize knowledge as a source of competitive advantage. Learning must result in a change in the organization's behaviour and action patterns.*, Denton, 1998); **systems** (*Organizational learning involves developing people who learn to see as systems thinkers see, who develop their own personal mastery, and who learn how to surface and restructure mental models collaboratively.*, Senge, 1990); or **even team-building** (*A learning organization is one that learns continuously and transforms itself where the organizational capacity for innovation and growth is constantly enhancPublishing House*, Watkins and Marsick, 1993).

At the center of learning organization theory is the distinction between **single and double loop learning**. The distinction goes back to Piaget's cognitive adaptation and development theory (Wadsworth, 1989), which postulates mental schemata (similat to the mental models central to Aryris's work). From the perspective of the new cognitive theories of the firm (Grant,1996 and Kogut, 2000), piagetian and neo-piagetian cognitive theories have renewed relevance in the organizational framework through the concepts of single and double loop learning. The literature also mentions triple-loop learning, dealing with the organization's values, mission and vision.

The area of individual learning is well represented, and practical results are satisfactory. However, organizational learning has a profounder sense than this, and this is reflected in the research of Steiner

(1998) on the barriers to organizational learning. Steiner sees learning at threee levels: indiviual, team and organizational. Each level is more complex than the one before, and double or triple loop learning happen at the team and organizational levels. However, knowledge transfer does not happen properly between these levels. Empirical research (Elkjaer, 2001) confirms that in the absence of factors that can catalyze knowledge transfer beyond the barriers, individual learning will not impact organizational learning.

Efforts to evaluate and measure organizational learning have two main areas of focus: the quantitative approach proposed by Moilanen (2005), which offers a complete instrument based on an eclectic model of organizational learning, and the qualitative model, proposed by Smith and Tosey (1999), who prefer an heuristical approach and offers instruments that can be used by organizational members to evaluate the learning environment in their own organization, starting with the idea that the decision to implement an organizational learning system is not based on results reflected in accounting.

As a forward-looking area, efforts to create learning organizations have often been sustained by scientific research. Research by Massey and Walker shows the role of consultants in organizational learning, showing special importance of negociated and real roles for both the consultant and the client.

Obviously, a good part of research in organizational learning center on the role of human resources. **In the new economy, knowledge is the main strategic resource, while the main strategic tool is organizational learning.** Success depends on the cultura that exists in a knowledge-based organization (Thite, 2004). For an efficient human resources management in the context of organizational learning, a philosophy based on trust, recognzing the need to learn, and on well defined policies for recruitment, selection, evaluation and motivation of intellectual capital in multinational context is needPublishing House New information and communication technologies give access to intellectual capital, regardless of location, creating the premises for strategic alliances.

The literature of organizational learning deals with learning and knowledge transfer in strategic alliances through empirical research (Simonin, 1997) and through theoretical exploration based on cognitive theories (Ghosh, 2004). The incipient Romanian literature on organizational learning (Albu, 2005) is fundamental in nature but views the area from an accounting perspective, centering on indiviual learning. To conclude, the literature of both organizational learning and the learning organization is in full development, offering new techniques, methods and models that can be used by practicians.

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