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The Relationship between Organizational Learning and Organizational Knowledge



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The Relationship between Organizational Learning and Organizational Knowledge

“Science is organized knowledge. Wisdom is organized life.” (Kant)

“The eye sees only what the mind is prepared to comprehend.” (Bergson)

“Unfortunately, there's no universal definition of KM, just as there's no agreement as to what constitutes knowledge in the first place. For this reason, it's best to think of KM in the broadest context. Succinctly put, KM is the process through which organizations generate value from their intellectual and knowledge-based assets. Most often, generating value from such assets involves sharing them among employees, departments and even with other companies in an effort to devise best practices. It's important to note that the definition says nothing about technology; while KM is often facilitated by IT, technology by itself is not KM.” (Santusos)

Despite the great technological changes of the past fifty years which have enabled organizations to gather, analyze, process, store, alter, and communicate information more efficiently than ever before, the relationship between organizational learning and organizational knowledge have remained the same. The base dynamics between the latter two are chiefly influenced by how groups of individuals differently perceive organizational interests, evaluate self interest in relation to perceived organizational interests, the affinity between varying personality

types, factional/political alliances within the organization, and their underlying social, political, and economic environments. Many people erroneously confuse organizational learning and organizational knowledge as the use of technology, business processes, and other potential courses of action that may result after strategic decisions are made.

If we are to define organizational learning and organizational knowledge congruent for all types of organizations it is imperative that we define the organization at the base level. Organizations have existed before recorded history and have occurred whenever two or more people cooperated towards achieving a particular goal. In village societies work would be divided among different groups that specialized in different things such as hunting, fishing, agriculture, cooking, defense, herding, etc. The village members saw it in their best interest to participate in these groups because their survival depended upon their success in achieving their respective group goals.

In modern western society the most common type of organizations are those of an economic nature where the chief organizational goal is profit and wages are the chief self-interest component for all non owning organizational participants. Profit is not always an organizations chief motive. Some organizations that employ people are formed for alternative goals such as national defense as in the case of the Army. Some organizations that use the work of volunteers are formed for alternative goals such as charity as in the case for some non-profits such as the Red Cross. When organizations of a non-profit nature such as charities and the government employ people there is a high chance that they will evolve into bureaucracies. Since many people rely on them for wages, bureaucracies' primary organizational goal is to maintain their existence and increasing its size rather than accomplishing their stated organizational goals. Sometimes organizations can be merely a social club, two people playing music together, and other situations inspired by subjective reasons.

At the base level organizational learning and the organizational knowledge are fancy words that some people use to try to describe how organizational managers think and make the decisions they do.

Organizational learning is the accumulation of experience that happen to groups of people working together. These experiences are chiefly influenced by how groups

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of individuals differently perceive organizational interests, evaluate self interest in relation to perceived organizational interests, the affinity between varying personality types, factional/political alliances within the organization, past experience, and their interaction with underlying social, political, and economic environments.

I do not think that organizational knowledge can be accurately defined in a universal fashion. In recorded human history nobody has been able to come up with a philosophy that explains the human thinking process in a way that is applicable to every person or every organization. The factors as to why managers make the decisions they do is not always logical, predictable and is as varied as the human experience itself. How could one define what constitutes organizational knowledge for all organizations? The following quote would be useful in trying to describe how IBM makes decisions but not the cross-pollination and artistic inspiration that appeared when Lennon and Paul McCartney wrote songs together for the Beatles:

“At the heart of the knowing organization is its management of the information processes that underpin sensemaking, knowledge-building, and decision-making.”

(Woo)

Rather than approaching the topics of organizational learning and organizational knowledge from anthropological, historical , and psychological perspectives, the increased importance of technology in western business society has strongly influenced many to try to find scientific answers to try to explain why organizations do the things they do:

“What is 'knowledge management'? It can be seen that the term did not occur until 1986 and from 1986 to 1996, there were only a few occurrences in each year. From 1997 to date, however, the growth has been exponential, but the data for 2002 suggest that the rate of growth has slowed considerably.” (Wilson)

This recent growing interest in organizational learning and organizational knowledge is the attempt by people to better understand and adapt to ever quickly changing economic situations in an attempt to maximize competitiveness. In the for profit private sector there are a lot of factors that influence business success. The ability to understand the needs of the market and to provide a product or a service efficiently to meet those needs so that you can spend less money than you make is paramount. I believe that focusing too much on what one may think are organizational learning and organizational knowledge one may develop myopic thinking that is counterproductive to competitiveness. Sometimes successful companies have no pan-organizational information gathering processes whatsoever and seem to base their decisions on the intuition of their management. Other times, firms that have the most advanced, real-time, accurate organizational knowledge are not able to transmute it into financial success. Having all the organizational knowledge in the world is no guarantee that an organization will be able to achieve success and vice-versa.

I agree with the quotes of Kant and Bergson who imply that the relationship between organizational learning and organizational knowledge have remained the same throughout the ages. I believe that one can better understand organizations if they try to analyze how groups of individuals differently perceive organizational interests, evaluate self interest in relation to perceived organizational interests, the affinity between varying personality types, factional/political alliances within the organization, and their underlying social, political, and economic environments. The Santusos quote is an example of how studying the way some complex organizations share information and build consensus from within in regards to making decisions about their future is sometimes mistaken for examples of universal organizational learning and universal organizational knowledge.



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