

CHANGING THE STRATEGY: LEARNING OR KNOWLEDGE BASED ORGANIZATION?

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Abstract: *Even if the learning organization concept has been launched over 35 years ago, there are plenty of the organizations that are facing the challenges to transform themselves from the traditional ones to the learning organizations. Besides, the learning brings knowledge, and the knowledge brings performance. Nevertheless, the organizations willing to perform have to design strategies to change their status into the knowledge based organizations. In this context, the paper is presenting the main issues regarding the motives that may impulse the organizations to change and to use the changing model proposed in the end.*

Key words: learning organization, knowledge based organization, change strategy, change process model

JEL Classification: L21, I25

1. Introduction

Peter Drucker (1998) has forecasted radical changes in the following 20 years regarding the organizational structure which will be characterized by simplicity, professionalism and responsibility. The reality proved that the information technology has progressed with a speed that could not be imagined, facilitating the communication and innovation.

The organizations have anchored to the environment changes using more the specialists' expertise, based on the knowledge process and individuals and organizations new knowledge creation.

This paper is aiming to make signals for traditional organizations to become learning organizations and knowledge based organizations to better

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respond to the environment requires in a more and more competitive context.

2. The learning organization

The approach regarding organizational learning and the concept of the learning organization represent the springs of the knowledge based organization (Argyris & Schon, 1978). According to the Peter Senge's opinion (Senge, 1990) the learning organization is characterized by five dimensions: systemic thinking, personal skills, mental models, common vision and team learning.

The systemic thinking is the essential issue of the learning organization. The main characteristic is that the organization's members know what they have to do and understand how to interact with the others in the process of processing goods and services for the market.

The personal skills mean that all organization's members are involved in knowing their tasks and contribute with success to the problem solving.

The mental models relate to the explicit building of mental models regarding what the organization's members have to do or tend to become, which implies an integrated analyze of the facts, conceptualization and generalization and the elaboration of images that are influencing the way the people understand the world and are acting.

The existence of a common vision permits a clear perception of the organization's vision and makes possible that every employee understands to act consciously to put the vision in practice.

The team leaning means that all organization's members are working, are finding solutions and apply them together.

The learning organization possesses certain characteristics to meet the ever-changing needs of the environment (Hussein et al., 2014). The learning organizations (Garvin, 1993):

- Deliver learning opportunities for all members;
- Use the learning for reaching out the organization's objectives;
- Assure the individual performance in concordance with the organization's performance;
- Support the research, dialog, using questions and make the people to feel secure, open and to assume risks;
- Consider the creative tension as a source of energy and renew;

- Consider a continuing and conscious conditioning with the environment.

The rapid pace of the occurrence of new information leads to the need of the professional adaptation to new knowledge and competencies that support obtaining and increasing economic performance. In this context, the learning is regarded as one of the most important sources of competitive advantage, for both individuals and organizations (Dragomir, C., Panzaru, S., 2014, p. 254). To learn faster than the competition permits the gaining of important competitive advantages. The main benefits of the learning in organizations are:

- The financial performance increasing;
- The quality improving;
- The competitive advantages gaining;
- The clients' orientation;
- The employees' stimulation;
- The organizational change as a continuing process;
- The recognition of the interdependence among all organization's components.

In order to put in practice the learning organization principles the managers and all employees need special skills, among the followings:

- To be oriented towards continuing learning;
- To act for their own career development;
- To work in teams;
- To share their experiences and knowledge;
- To understand the learning organization's culture;
- To accept and to be involved in the critical analysis;
- To be open to sustain the change.

The modern organization is open and flexible and it facilitates learning and knowledge accumulation that however, is the basics of innovation and performance.

3. The knowledge based organization

A clear and consensual definition of the organization based on knowledge is still lacking, but the majority of the definitions converge on the following key words: knowledge, learning, innovation and knowledge dissemination.

The transformation of the traditional organization into a knowledge based organization needs to consider the innovation as a basic driver.

Nonaka & Takeuchi (1995) have underline that the innovation is the result of the “learning spiral”, that presumes an infinite cycle through which the tacit knowledge is transforming in explicit knowledge, the explicit knowledge in tacit knowledge and so on. According to the authors, the process includes four components: socialization, externalization, combination and internalization. In addition, the explicit knowledge is in concordance with the organization’s background knowledge (figure no. 1).

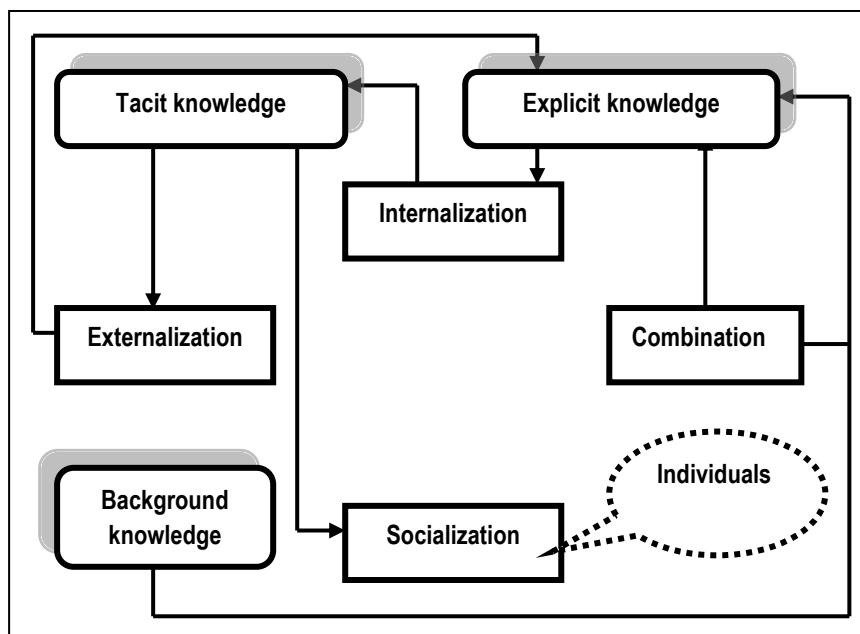


Figure no. 1. The learning spiral revised

Source: Adaptation from Nonaka & Takeuchi (1995) and Morgan (1986)

The tacit knowledge is what the individuals acquire or develop during their life and hardly may be formalized, but may be shared to the others, such as: native talent, intuition, skills, knowledge and experience.

The explicit knowledge is usually available in forms of rules, procedures, templates or processed data.

The background knowledge draws the cognitive context and endows meaning with particular references to the organization's tasks (Morgan, 1986).

The socialization means the tacit knowledge transfer towards individuals.

The externalization consists in the transformation of the tacit knowledge into explicit knowledge.

The combination means that the explicit knowledge is combined among them and with the background knowledge.

The internalization implies the transformation of explicit knowledge into implicit knowledge.

Blat (2007) stresses that an organization based on knowledge tends to new knowledge peaks and invests time and resources in research and promotes innovation. In the same time, the organization is preparing for a knowledge based management by means of the processes redesign, creation of new departments and positions (such as chief knowledge officer), IT instruments procurement (software, hardware) and the creation of informal spaces (blogs, forums, coffee corners) where the employees may share knowledge and communicate about the organizational changes.

The knowledge based organization is defining itself by its attributes:

- The competences count on knowledge and not on physical assets (Mcgee & Prusak, 1993; Amidon, 1997);
- The information and knowledge represent the organization's blood and the value is given by people and the way they are acting individually and in collectives (Bartlett, 1999);
- It dominates the market by the collective intelligence, decision-making speed and the change of information (Liataut (2001);
- The power of decentralization gained by information;
- It creates knowledge.

The knowledge based organizations are highly aware of the role and the value of the information in the market competition and are interested in creating, obtaining, accumulating, understanding and using of the advanced knowledge (Dragomir, C., 2013, p.77). In such organizations the people invent and create knowledge (ideas, experiences, the training results) and transform the knowledge into new products, services, technologies, projects that are offered in an accelerated pace to the market. The secret of this type of organization is the team working by sharing the knowledge and by

building new knowledge. Being a living body the organization itself accumulates knowledge and is continually transforming, renewing. The single competitive advantage that lasts in time is knowledge (Nonaka, 1998).

There have been underlined 10 Steps toward a knowledge-based organization (Zack, 2003):

- Defining the organization's mission and purpose in terms of knowledge;
- Defining the organization's industry and position within it in terms of knowledge;
- Formulating strategy with knowledge in mind;
- Implementing knowledge-management processes and structures that directly support the company's strategic knowledge requirements;
- Transforming the company into a strategic learning organization;
- Segmenting the company's customers and markets not only on the basis of products and services but also according to how much can be learned from them;
- Treating the cost of learning as an investment, not an expense;
- Rethinking the business model;
- Taking human resource management seriously;
- Reinforcing the organization's mission via coordinated internal and external communication.

It is not easy to transform an organization into a knowledge based one and the process of changing is lasting a longer period of time, being strongly related to the changing of the organizational culture. An important issue is "the way culture influences how responsibilities are defined and distributed in a culture at a given point in time, and how organizations learn to address new responsibilities in new ways when the context changes" (Antal & Sobczak, 2014).

4. The changing strategy process

The organization is continuing transforming its architecture. The process may be slow, unseen or suddenly, coordinated, on the basics of a plan of changing to reach out the established targets. In this process of change the organization it is learning. The organization has to develop creative and open methods associated with the change process that implies

the human resources, organizational structure and organizational culture (Petigrew & Whipp, 1991).

Some of the directions that is facilitating the changing process have been highlighted by different authors:

- Implementing web tools in organizations (Baxter, 2014; Janes et al., 2014);
- IT tools in the simulations (Pasqoa et al., 2013);
- Real time monitoring and auditing (Marques et al, 2013);
- Strategic plan design (Zanotti, 2012; De Toni, 2012);
- Open learning for knowledge acquiring (Collen, 2012).

The organizations that seek for changing into knowledge based ones needs to use techniques and procedures that facilitate the learning and knowledge acquiring. The main activities that the knowledge management needs to put in practice, highlighted by Usman (2013, p.3), may be:

- Knowledge database creation to store the experiences, the best practices and knowledge;
- Information and knowledge webs using to gather, to filter and to store web information;
- Incorporation of knowledge into the processes by developing the document management system;
- Knowledge centers creation for facilitating the flow of knowledge;
- Introduction of collaborative by intranet and multidisciplinary cross functioning.

The traditional organizations are facing on the market the competitive advantage of the learning organizations and the knowledge based organizations that are performing due to the knowledge. Therefore, they need to change. The main drivers that may change the traditional organization into a learning organization or a knowledge based organization may be the followings: learning wish, initiative, innovation, ITC tools, strategy and knowledge.

- *Learning wish*

The organizations need to wish to learn and that means that the managers and all employees must understand the benefits of learning process. The programmed training activities and the periodically people evaluation are the main directions of action.

- *Initiative*

The people are learning from their own experiences, as well. Thus, the employees' initiatives are to be encouraged and exploited. The managers have to use the empowerment, to delegate decision-making and to recognize every step that brings success for the organization.

- *Innovation*

The new practices, procedures, technologies, products and services designed and implemented into the organization are based on the new discoveries and produce new discoveries by innovation, strengthening the organizations' values.

- *ITC tools*

In the era of information and communication technologies the use of special oriented tools in the whole activity facilitates the new skills and knowledge acquiring and dissemination among the organization.

- *Strategy*

A strategy for changing is needed. This strategy depends on the organization's specificity, the change characteristics and the desired speed of transformation.

- *Knowledge*

The knowledge makes new knowledge as the figure no.1 highlights. It represents the basic driver of the change process by accumulation, sharing, improving and evaluation.

Based on the literature review and the main drivers set forth above, the process of changing the organization's state is presented in the figure no.2.

The change process needs to enclose at least the following five steps to be realized successively: planning, investing, data base creation, knowledge management setting and the new culture development.

Planning: the change process to become a learning or knowledge based organization;

Investing: in people, know-how and ITC assets;

Data base creation: knowledge, experiences, best practices and stories have to be organized, selected and used according to specialized domains;

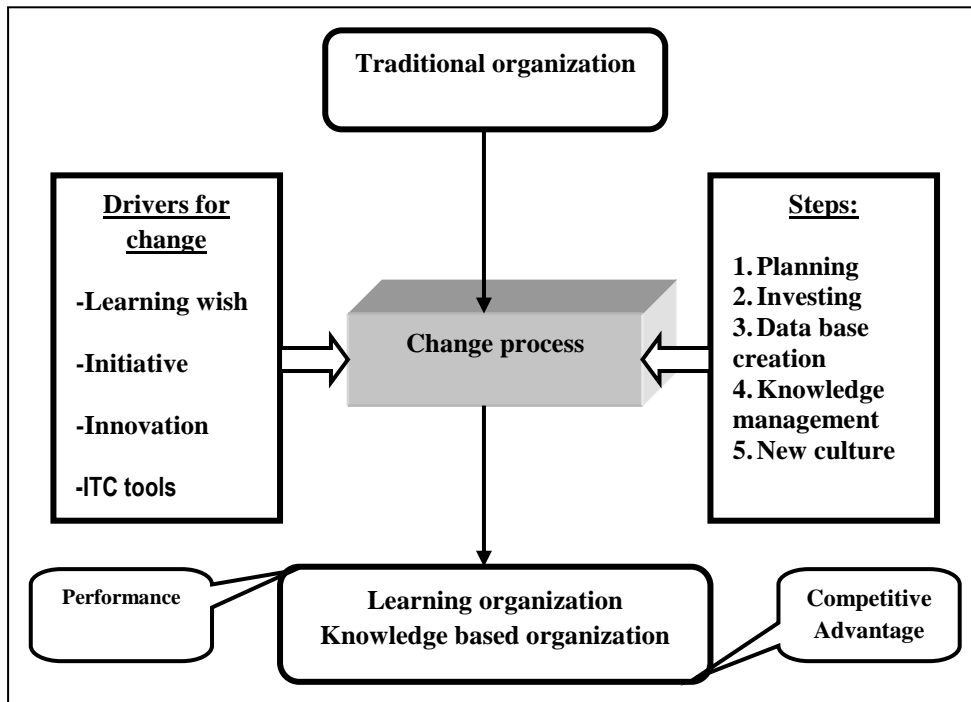


Figure no. 2. The change process to the learning or knowledge based organization

Knowledge management setting: the process of learning and knowledge development has to be effectively managed and the organizational structure has to include a position and the specific tasks;

New culture development: the new culture, based on continuing learning process and new knowledge creation, is going to reinforce the values acquired by this process.

5. Conclusions

The knowledge based organization makes another sense of the learning organization. Whether the learning organization concept is focused on the way the organization is created or transformed to become more effective, the knowledge based organization is an updated concept of the learning organization that is based on information and computer techniques

and human skills. The both concepts relate to the process of learning of the organization's members and organization itself for acquiring the knowledge, sharing the knowledge and using the knowledge in strategies to increase the organization's performance and to gain solid competitive advantage.

The changing process model proposed at the end of the paper is willing to offer a framework for the managers to be used in their practice when wishing to change the traditional organization into learning or knowledge-based organization. The model may be enriched by further contributions.

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