

## Organizational Learning and Knowledge Management

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### **Abstract**

*The Purpose of this article is to examine the concept of organizational learning and knowledge management based on the results of the research that have been conducted by the previous experts. The Method which is used in this article is literature review related to variable organizational learning and knowledge management. Reason for the use of the method of literature review is that this research aims to make the most appropriate to construct a variable of organizational learning and knowledge management, especially for service companies. The Results showed that based on the results of the study on organizational learning dimensions consists of the commitment to learning, shared values and openness of thought. Dimensions of knowledge management consists of identifying and determining the needs of knowledge, collecting knowledge, knowledge creation and evaluation, and utilization of knowledge.knowledge. Conclusion:Dimensions for organizational learning include a commitment to learning, shared values and openness of thought.Dimensions of knowledge management consists of identifying and determining the needs of knowledge, collecting knowledge, knowledge creation and evaluation, and utilization of knowledge.knowledge.Organizational learning-related knowledge management. Considering the experts study results showed that in the selection of dimensions and indicators in the field of research need to consider a phenomenon that needs to be considered the most appropriate perspective to the phenomenon of research. Before determining the required knowledge necessary to know the process map of each job to be known by anyone associated with and what information needs to be known to carry out the work.*

**Keywords:** *Commitment to learning, openness of thought, shared values, knowledge creation, knowledge evaluation.*

### **1. Introduction**

The Global competition which is happening in the world these days requires every organization to be able to compete in order to survive. De Geus (1998) suggested that only organizations which able to learning can live long. Research on learning organization was started by Senge (1990). Marquadt (2011) argues that there are five sub-systems in a learning organization include; organization, learning, people, knowledge management, and technology.

Research related to organizational learning and knowledge management have been carried out by previous researchers. Practices for knowledge management and organizational learning can improved its organization performance (Waltczak, 2008). Research organizational learning can be seen from various perspectives, from knowledge perspective and cultural perspective. Similarly, research related to knowledge management was done from transfer of knowledge perspective like research from Nonaka and Takechi (1995), and also from knowledge management perspective like the research from Hoikonen and Savolainen, 2007; Jo Rhodes and Peter Lok, 2008; Salim and Sulaiman, 2011; Sony and Naik, 2012.

## **2. Review of Literature and Theoretical Framework**

### *2.1 Organizational Learning*

Organizational learning is the process of generating and applying new knowledge to continuously renew organizational behavior through interaction between people (Wang and Yang, 2014). Another definition proposed by Robey in Hsiu (2008) that organizational learning refers to the capacity or processes within an enterprise that allows the existence of acquisition, access and revision of organizational memory, and provides direction for organizational action. Organizational learning is a process of continuous testing of experience and transform the experience into knowledge that is available to the entire organization and relevant to their mission (Senge in Nafei, 2014). Lefter, Constantin and Andrea (2008) suggested that organizational learning processes related to the process to improving the behavior and capabilities of the individual so that the organization can be more effective in responding to its environment.

Some what different definitions proposed by Jo Rhodes and Peter Lok (2008) that organizational learning is a dynamic process that occurs from time to time on all levels which includes four processes, namely; intuition, interpretation, integration and institutionalization of knowledge. It creates a tension between assimilation of new knowledge (where ideas and actions flow from individuals to groups and organizations) and use what they have learned. Organizational learning requires valid information, transparency, issues-oriented, and accountability.

#### *2.1.1 Dimensions and Indicators of Organizational Learning Based on Previous Research*

Jo Rhodes and Peter Lok (2008) describe that the dimensions which were used for organizational learning are the learning intention, shared values, absorption capacity, and integration capability. The results showed that the absorption capacity and intensity of learning in organizational learning has the greatest positive correlation with process innovation in knowledge transfer.

Salim and Sulaiman (2011) explained that organizational learning measured by commitment to learning, sharing visions, openness of thought, and knowledge sharing within the organization. Commitment to learning is the degree to which companies promote learning and sharing knowledge. Shared vision includes interrelated activities from employee and development of relationships based on the exchange of information and sharing of mental models. The openness of thought refers to the ability of the company to accept new ideas and a willingness to question assumptions about the behavior and events. Sharing knowledge in the organization refers to the collective belief or routine behaviors associated with the spread of learning in the organization. The dimensions of innovation used include technological innovation refers to a product, process and service innovation. Market innovation refers to the market price, promotion, and place. Administrative innovation refers to the strategy, structure and systems and cultural innovation. The results show that organizational learning is a critical factor for innovation. There is a positive relationship between learning orientation with innovation capabilities. Learning orientation positive effect on innovation. Sharing the vision, openness of thought, and knowledge sharing within the organization directly influence the orientation of innovation.

Sony and Naik (2012) explains that organizational learning is not just looking at something that is done for the organization but also look at something that is done by the organization. Organizational learning involves three stages, namely: acquisition (collection), sharing (sharing of knowledge) and Storage (storage of knowledge). Organizational learning is the ability of an organization to continuously adjust to the new situation and renew the organization itself based on demand environment. Increasing the capability of learning is done by building a system that allows individuals in the organization can share knowledge. Dimensions are used for organizational learning is a commitment to learning (commitment to learning), a shared vision (shared vision) and open-mindedness (openness of thought). The results showed that six sigma positive effect on organizational innovation through organizational learning.

Tohidi, Seyed and Mandegary (2012) describe that dimensions which are used to measure organizational learning include managerial commitment and empowerment, experimentation, risk taking, interaction with the external environment, openness, knowledge transfer and integration. The results showed that the organizational learning capability has a positive effect on innovation.

### *2.2 Knowledge Management*

Knowledge management is a major strategic resource in the 21st century and many companies that have initiated and apply it. Knowledge and information within an organization flow from various sources in various ways (Ahmed and Ahsan, 2014).

Another definition proposed by Robin in Herbert (2012) that knowledge management is the process of organizing, distributing knowledge at the right time and right person in the whole organization. Management and research initially focused on the development of the necessary technological infrastructure to facilitate the process of obtaining, distributing and applying information and knowledge within the organization without organizational constraints.

Seleim and Khalial (2011) explains that knowledge management is a system or framework that integrates people, processes, and technology to achieve results continuously improve performance through learning.

Knowledge management is the process of planning, organizing, motivating, and controlling people, processes, and systems within an organization by incorporating elements of knowledge associated with the asset to improve and streamline work continuously (Rajesh et al, 2011).

Another opinion expressed by Gorelickand Tantawy-Monsou, 2005; Wang, 2011, which explains that the management of knowledge is a system or framework that integrates people, processes, and technology to achieve sustainable results of performance improvement through learning.

### *2.2.1 Dimensions and Indicators of Knowledge Management Based on Dimensional Assessment and Previous Research Indicators*

Past researches on knowledge management carried out by Zivanjinovic and stanimirovic (2009) explained that the dimensions of knowledge management are definition of knowledge objectives, identification of knowledge (analysis and description of knowledge within the company), collection of knowledge (of customers, suppliers, competitors, and business associates), development of knowledge (the direction of the creation, skills and new products, process improvements and a better idea good), knowledge distribution (exchange and dissemination of knowledge of individuals, groups and organizations), the use of knowledge (productive use for the benefit of the organization), retention of knowledge (the selection, storage and updating of information, documents and experience) as well as the measurement and assessment of knowledge.

Chun, Meng and Chia (2011) explained that dimensions for knowledge management processes include socialization, internalization, externalization and combination. Dimensions of knowledge management according Seleim and Khalil is knowledge acquisition, knowledge creation, knowledge documentation, knowledge transfer and application of knowledge.

The dimensions used Ferraresi, Quandt and Frega (2012) include; (1) The creation and capture of knowledge that will be applied to achieve organizational goals; (2) Transfer of knowledge in the form; share, conversion, organization and dissemination of knowledge; (3) The application of knowledge to create value for the company and the customer. Ahmed and Ahsan (2014) The dimensions used are: creation, use, maintenance and organization of knowledge.

## **3. Research Design and Methods**

The research design used in this study is a qualitative research is a study that collected data in the form of words written or spoken (Creswell, 2006). The method used is the method of literature review. Reason for the use of the method of literature review is that this research aims to make the most appropriate to construct a variable of organizational learning and knowledge management, especially for service companies.

## **4. Data Collection**

Data obtained by searching the relevant international journal of emerald and proquest by using keywords organizational learning and knowledge management. Journal obtained have been published last a minimum of seven years and then collected,, analyzed, reviewed and synthesized returned to construct the most appropriate form to the service company differentiate with manufacturing companies.

## **5. Discussion, Findings and Interpretation**

### *5.1 Organizational Learning*

Considering The opinion of the experts are examined, then there is a difference on the perspective in defining organizational learning. Jo Rodes and Peter lock (2008); Wang and Chang (2014) view the organizational learning from the perspective of process of acquisition, utilization and improvement of organizational memory, whereas Senge in

Nafei(2014) looked at from the perspective of organizational learning culture. The results of the study of organizational learning perspective of the learning culture proposed by Senge in Nafei(2014); Lefter, Constantin and Andrea (2008) in which organizational learning contains various aspects, namely;

- a. Organizational learning is the process of improving the behavior and capabilities of individuals
- b. Process of experience transformation into new knowledge to improve the capacity of the organization
- c. Effective in responding to environmental changes
- d. Suitability knowledge with the company's mission

Aspects of organizational learning shows that the process of experience transformation into new knowledge intended to improve the behavior and capabilities of individuals which suits the organization's mission. Based on the results of these studies expert's opinion indicates that definition of organizational learning is the process of improving the capacity and capability of the organization through the exchange of valid and transparent information that serves to determine a course of action the organization in the future.

If the expert's opinion above is determined, it shows that there are several dimensions of the studied organizational learning which includes; commitment to learning, shared vision, openness of thought and knowledge sharing within the organization. Those expert's opinion are basically almost in common each other, because either Jo Rhodes and PeterLok (2008); Salim and Sulaiman (2011); Sony and Naik (2012) are using the same approach which is the learning cultural approach. The valid dimensions of values and norms sharing which was explained by Jo Rhodes and Peter Lok (2008) has the same meaning as the dimensions of vision sharing expressed by Salim et al (2011) and Sony et al (2012) as well as the dimensions of learning intensity is the same with a commitment to learning the same thing for the absorptive capability and integration capability has the same meaning as the openness of thought.

The difference caused by the research which conducted on different types of companies, namely manufacture and service companies. Research by Tohid, Seyed and Mondigary (2011) incorporate elements of empowerment and experiments for research conducted in the ceramics industry. Research conducted in the service industry has characteristics is nearly similar to the research from Sulaiaman and Salim (2011) in the ICT industry and Sony and Naik (2012). Based on these considerations, the organisasional learning dimension in research in the service industry are:

- a. Commitment to learning is an organization's action to promote learning; willingness and ability of individuals and organizations to learn; commitment to the improvement of products and services; ability of leaders and members in organization to respond to change.
- b. Shared values include the extent of the value of learning among employees exists within the organization; awareness of employees to perform learning; employee wishes to invite others in doing learning
- c. Disclosure of thought is how far the organization and members are willing to accept ideas from within and outside the organization. Disclosure of thought can be done in a manner sensitive to customer expectations; sensitive to changes in the market; discussion of lessons and experiences; evaluation decisions; evaluation activities; environment conducive knowledge sharing.

## 5.2 *Knowledge Management*

That expert opinion if studied carefully shows there are various aspects of the studied knowledge management, namely;

- a. Knowledge management is a continuous process
- b. Knowledge management includes planning, organizing, motivating, distribution of knowledge and utilization of knowledge
- c. Knowledge management integrates people, processes and technology to achieve results
- d. Knowledge management is the process of knowledge acquisition and expansion of the organization
- e. Knowledge management is the process of acquisition, creation, storage, transfer and use of knowledge

A review of the experts indicate that the definition of knowledge management is a process of planning, organizing, distribution and utilization of knowledge by integrating people, processes and technology to achieve the desired results of the organization.

The study conducted by experts in the above, concluded that dimensions of knowledge management can be grouped into three things;

- 1) Determination and identification of the knowledge needed to achieve organizational goals. This can be done by determining the goals and objectives of the organization, groups and individuals; create process maps for every job that must be done organizations, groups and individuals; determine the type of linear and non-linear knowledge needed to carry out the work. Knowledge that has been identified with good will facilitate individuals, groups and organizations to determine what information is needed, which already possessed

individuals, groups and organizations as well as to share with members, or members of other groups. Determination of the quality objectives and processes necessary maps can be seen in the quality management system ISO 9001-2008.

- 2) Process knowledge includes activities; creation of knowledge that is the determination of tacit knowledge, explicit or knowledge of the organizational culture; knowledge transfer can be done by means of socialization, internalization, externalization, and combination; documentation of knowledge is done by using the manual method or corporate databases; and application of knowledge for problem solving and decision making.
- 3) Assessment of knowledge, knowledge evaluation and updating of knowledge. The purpose of this activity is that knowledge is always up to date in order to compete in the global market.

Considering the experts study results showed that in the selection of dimensions and indicators in the field of research need to consider a phenomenon that needs to be considered the most appropriate perspective to the phenomenon of research. Before determining the required knowledge necessary to know the process map of each job to be known by anyone associated with and what information needs to be known to carry out the work.

## **6. Relationship of Organizational Learning and Knowledge Management**

Organisational learning and knowledge management are the two variables are related to one another (Dimitriades, 2010; Nafei, 2014). Knowledge management activities include (1) identification of the knowledge needed both linearly with tasks for efficiency and improved quality of service and non-linear for the sake of innovation; (2) the process of knowledge which includes: (A) the acquisition or collection of knowledge either tacit or explicit knowledge, by means of socialization, internalization, externalization or combination; (B) the creation or development of knowledge which means that any knowledge gained understood, analyzed and developed according to the needs; (C) the transfer, after knowledge created next phase is transferred to an individual, group or organization through the dissemination; (3) Evaluation and application of knowledge. Evaluation of knowledge is an activity to compare whether acquired knowledge suitable or not with identified knowledge, how to link the knowledge gained with pre-existing.

Evaluation can be done by disseminating knowledge of the writings of the employees either through internal discussions and seminars locally, nationally and/or internationally. The results of dissemination then discussed further to be applied in order to improve organizational performance through increased intellectual capital. Knowledge management is a process that changes the shape of individual knowledge into knowledge groups and organizations. Knowledge management is a process that helps organizations to obtain important information, select, organize, and publish it and it is necessary to make decisions through dynamic learning. Effective knowledge management will facilitate the process of organizational learning, and vice versa, will be the basis of organizational learning in the process of identifying the knowledge, process knowledge, evaluation and utilization of knowledge. The ability to learn faster than competitors will determine the sustainability of competitive advantage (De Geus in Setyowati, 2014).

## **7. Conclusion**

Based on the results of the study of the literature, it can be concluded that the dimensions of organizational learning include a commitment to learning, shared values and openness of thought. Dimensions of knowledge management includes identifying knowledge needs, collecting knowledge, creation of knowledge, process knowledge, evaluation and utilization of knowledge. Organizational learning related to knowledge management.

Considering the experts study results showed that in the selection of dimensions and indicators in the field of research need to consider a phenomenon that needs to be considered the most appropriate perspective to the phenomenon of research. Before determining the required knowledge necessary to know the process map of each job to be known by anyone associated with and what information needs to be known to carry out the work.

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