Chapter 7.6
Enabling Organizational Learning to Contribute toward a Learning Organization:
An Exploratory Case Study of Knowledge Management Practices in Taiwan's Electronics Industry

Pei-Di Shen
Ming Chuan University, Taiwan

Tsang-Hsiung Lee
National Chengchi University, Taiwan

Chia-Wen Tsai
Yuanpei University, Taiwan

Yi-Fen Chen
Chung Yuan Christian University, Taiwan

ABSTRACT

How can practices of knowledge management (KM) enable organizational learning to occur and then lead toward a learning organization? We seek the answer to this question by exploring three cases, Winbond, Worldpeace, and TSMC, chosen respectively from upstream, midstream, and downstream firms in the IC industry in Taiwan. We studied KM practices focusing on aspects of knowledge creation, storage/retrieval, transfer and application. Results showed that KM may play different enabling roles among IC designer, distributor and manufacturer. In this study it was found that IC designers may focus more on knowledge storage, while IC distributors pay more attention to knowledge application, and IC manufacturers emphasize knowledge creation.

INTRODUCTION

Today, a 'Third Industrial Revolution' is under way. Knowledge will replace land and traditional

firm resources as the most important asset (Thurow, 2000). Tangible assets will be decreased or consumed because of use, but intangible assets ─ knowledge, information and technology will grow through sharing and application. Thus, organizations should learn to survive in the fast changing and intensely competitive environment, continually redesigning themselves into learning organizations (Daft, 1998). To help achieve this end, knowledge management (KM) is believed to be the key.

KM refers to identifying and leveraging the collective knowledge within the organization to help in business competition (von Krogh, 1998). In a severe and dynamic environment, an organization should respond quickly to their rival competitors and the changing environment by transitioning into a learning organization, an organic and flexible company, to foster knowledge flow and sharing among the departments and task groups. A learning organization can provoke innovation and learning through its structure, task and process redesigns, and adapt gradually toward the eventual goal of organizational learning. Therefore, the dynamic process between the learning organization and organizational learning is an important issue of current knowledge management and practice; that is, an enabling role of knowledge management could contribute to the interaction between the learning organization and organizational learning, as shown in Figure 1.

This study explored the interactions and the key processes between learning organizations and organizational learning in upstream, midstream, and downstream firms in the IC industry in Taiwan. In addition, this study also illustrated how knowledge management is implemented in high-tech related industry - IC designer, distributor, and manufacturer - as those play the roles of upstream, midstream, and downstream firms in a tightened supply chain. Different enabling roles of knowledge management in these three types of firms are discussed.

CONCEPTS AND PERSPECTIVES

Organizational learning means activities or processes of learning in organizations while a learning organization is an ideal form of organization (Örtenblad, 2001). Popper and Lipshitz (2000) pointed out that learning organizations are organizations that have embedded institutionalized learning mechanisms into their culture. Marquardt (1996) notes learning organizations focus on the "what" – the characteristics, principles, and systems of an organization that produces and learns collectively – while organizational learning refers to the "how" – the proficiencies and processes of knowledge development. In summary, learning organizations focus on learning at the organization level, but an organization will learn when the organizational knowledge is out of date, incorrect, or insufficient, then feed back the learning to the organization. Therefore, it is concluded that there exists an interactive and circulative relationship between the learning organization and organizational learning.

Figure 1. The dynamic process and interaction between OL and LO