Chapter 24

Knowledge Management and the Organisational Learning:
Towards a Framework Definition

António Amaral
University of Minho, Portugal

Madalena Araújo
University of Minho, Portugal

ABSTRACT

The process of learning is emphasised in all organisations as a way to improve performance, to more effectively manage projects, processes, and activities, and thus, it is of extreme importance to the business in general, because it enables sustainable competitive advantage. However, organisations do not seem to learn from their mistakes, rarely exploring the reasons for their projects' success or failure, and very rarely applying those lessons learned to the business management. In fact, there is little or no point in learning unless management adapts its behavior accordingly.

Our proposal is aimed at creating an organisational framework for managing the knowledge produced, as well as incorporating the lessons learned in the daily organisational routines. The purpose is to better respond to the problems that may occur and therefore, strategically realign the organisation towards efficiency and results improvement.

INTRODUCTION

In the late 1990s, "the learning organisation" and the concept of "organisational learning" became unavoidable for managers, consultants and researchers. For any business or organisa-

tion, the ability to learn better and faster than its competitors became an essential core competency (Sugarman, 2001).

In the global business arena, organisations seek to develop mechanisms that allow them to succeed and achieve higher levels of performance. The competition is high, and the difference between success and failure is very tenuous. Ghoshal,

Bartlett, and Moran (2000), point out that managing knowledge is a key factor for international business success. Knowledge provides the capability to identify, examine and capture market opportunities. Knowledge is also changing the way firms compete, particularly in international business where opportunities to create value are shifting from managing tangible assets to managing knowledge-based strategies (Kaplan & Norton, 2001).

Stata (1989) and Sinkula, Baker, and Noordewier (1997) suggested that organisational learning could definitely contribute for the process of organisational innovation as well as a mechanism of differentiation in the market, by gaining competitive advantages (Liao, Chang, & Wu, 2010). Thus, Knowledge is a key organisational asset that enhances productivity and performance (Rohde & Sundaram, 2010), and sustains the organisations with new learning approaches that help solving problems, now and in the future, and foster the acquisition of core competencies (Liao, 2003).

The "reality of learning" in a project environment can be considered constructed, maintained and reproduced through human practices within the project social context (Fox, 2000; Raelin, 1998). The human learning is constructed through continuous reciprocal interactions between people and the environmental stimuli and context (Bandura, 1977; Dodgson, 1993). Learning is profoundly linked to people and to their actions, as well as the conditions underlying its generation (Brown & Duguid, 1991; Billett, 2000). The project participants (team members) are exposed to a greater range of learning opportunities and are tacitly encouraged to develop their skills in "learning how to learn". Although, according to Sense (2007): "Our culture is about "doing" and not about "reflecting", and there is not always time to reflect and to share" (p.441).

Projects play an important role in achieving the learning that takes place within many organisations (Arthur, DeFillipi, & Jones, 2001; Keegan & Turner, 2001). A study conducted by McKinsey & Company and Darmstadt University of Technology (Takeuchi, 2001) reveals the complicated and dynamic nature of knowledge. After more than 400 personal interviews at 39 companies around the world (18 in Europe, 11 in North America and 10 in Japan), they discovered that knowledge is an asset:

1. That means different things to different people;
2. That can become outdated instantaneously;
3. That initially is often tacit, not codified;
4. The value of which increases when it is shared among people;
5. The generation of which cannot be planned scientifically; and
6. That can be recycled independently of ownership of physical assets.

The real problem of organisational learning and knowledge management is not to fall neatly into one discipline but rather involve aspects of many, including psychology, sociology, operations management, organisational behavior, strategic management, economics, and information systems (Argote, 2005). Furthermore, managing knowledge in projects is a very complex and demanding task. The project teams are often composed by several members who never worked together and probably never will again, with substantial differences in their backgrounds and experiences and still being limited by the time available to work together (Love, 2005).

What are the fundamental elements that can enhance the organisational knowledge? Can the use of supporting technologies and tools, organisational reorientation towards project management processes and capabilities, type of leadership, top management commitment capitalise the organisational performance? Are there any known factors that can create obstacles for learning? Can we measure what we learn, if so, how? Is knowledge Management and Learning the new organisational

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