

## Chapter 4.18

# An Investigation to an Enabling Role of Knowledge Management Between Learning Organization and Organizational Learning

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### ABSTRACT

*This chapter is an exploratory investigation of the relationship and interaction between the learning organization and organizational learning in terms of an enabling role of knowledge management. In the severe and dynamic business environment, organizations should respond quickly to their rivals and environment by transforming into a learning organization. A learning organization could provoke innovation and learning through its structure, task and process redesigns, and evermore 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, the enabling role of knowledge management could enhance the interaction between learning organization and organizational learning. Furthermore, the authors will explore the relationship and interaction between the learning organization and organizational learning in terms of knowledge management processes in business. Two cases, TSMC and Winbond, the semiconductor and high-tech firms in Taiwan, will be studied to illustrate the findings and insights for the study and the chapter.*

## INTRODUCTION

Today a “Third Industrial Revolution” is under way; knowledge will replace land and a firm’s resources as important asset (Thurow, 1999). Even Drucker (1993) argues that in the new economy, knowledge is not just another resource alongside the traditional factors of production — labor, capital and land — but is the only meaningful resource today. Tangible assets will be decreased or consumed because of use, but intangible assets — knowledge, information and technology will grow through sharing and application. In many industries, firms could sustain their competitive advantage if their abilities for learning and evolution are faster than their competitors. Thus, organizations should learn to survive in the fast-changing and intensely competitive environment, continually redesigning themselves into learning organizations (Daft, 1998).

Knowledge is a limitless resource in the knowledge-based economy, therefore, organizations should learn, store, transfer and apply knowledge to add value or gain competitive advantage (Sveiby, 1997). Knowledge management refers to identifying and leveraging the collective knowledge within the organization to help in competing (von Krogh, 1998). But in a severe and dynamic environment, organizations should respond quickly to their rivals and their environment by transforming into a learning

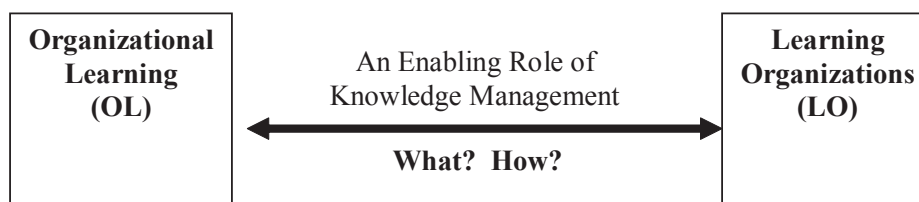
organization, an organic and flexible company, to foster knowledge flow and sharing among the departments and task groups. A learning organization could provoke innovation and learning through its structure, task and process redesigns, and adapt gradually toward the eventual goal of organizational learning. 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 change the interaction between the learning organization and organizational learning. But what is and how does knowledge management play this enabling role? The research question can be depicted as shown in Figure 1.

This study will try to find the relationship and interaction between the learning organization and organizational learning in terms of an enabling role of knowledge management. We hope to provide some new insights for firms as they translate their organizations into learning organizations and implement knowledge management practices to provoke organizational learning.

## LEARNING ORGANIZATION

Learning organizations can be described as places where people continually expand their capacities to create the results they truly desire,

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



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