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TRANSFORMING KNOWLEDGE ASSESTS FOR CREATING A LEARNING ORGANIZATION

-Dr. Kalpana Sahoo
Asst. Prof in OB &HRM
Asian School of Business Management,
Shiksha Vihar, ASBM
Bhubaneswar
-Mr. Debesh Kumar Dutta
Asst. Training & Placement Officer,
C.V.Raman College of Engineering, Janla,
Bhubaneswar

Abstract

Organizations in the modern days are undergoing heavy transformation in the wake of industrialization and globalization. In the face of a globally expanding and highly competitive knowledge-based economy, the traditional organizations are highly seeking fundamental insights to help, nurture, harvest, and manage the immense potential of their knowledge assets for capability to excel at the leading edge of innovation. Knowledge is seen as a source for innovation and competitive advantage by organizations worldwide. However, knowledge management practices largely depend on the learning organization, where employee's willingness and commitment can create environment for knowledge sharing, storing and management. Knowledge management serves as a manager's framework for improving the organization's learning potential. The paper tries to establish a linkage between Knowledge Management & Learning Organization, and how it helps in the organization. Knowledge management serves as a management tool of one of the most critical resource of organizational success

Introduction

In today's global economy, capital moves speedily, technology spreads quickly and goods can be made in low cost countries and shipped to developed markets. Managing knowledge in such a phase of continuous change is an imperative function for 'smart' organizations. Amalgamation of different technologies is indispensable to carry out various tasks of a 'learning organization', yet these technologies show inadequacy for building knowledge networks and communities of practices within such organizations. Knowledge Management for the future organizations has many implications and impacts on the way our existing educational, socio-cultural, economical, religious, governmental processes work.

Knowledge is regarded as important for creating organizational value and enhancing organizational competitiveness, especially in an unpredictable environment (Nonaka, 1994).Same is very true for learning organizations, in this day and age knowledge is the key to success of the individual, organization and even the nation as a whole. Thus it is imperative that learning organizations must not only have a deep understanding of knowledge construction but also spearheads its understanding adapted for the changing times.

Learning Organization

The concept of learning originated in psychology and focused on learning at the individual level. Behavioral psychologists defined learning as the acquisition of chains of reactions which persist over time leading to behavioural change. Thus, changes in behaviour are a result of repeated experience.

While most psychological definitions of learning relate to learning by the individual, systems theoreticians (Senge, 1990) take a different approach. They are less concerned with individual learning processes as with the system or organization as a whole. The primary focus of attention is the organization as a framework for individual action. Most analysts who approach organizational learning from this angle give prominence in their theories to interactions between the individual and the organization (Argyris & Schön, 1978; Hedberg, 1981).

What is a "Learning Organization"?

A "Learning Organization" is one in which people at all levels, individually and collectively, are continually increasing their capacity to produce results they really care about. Why should organizations care? Because, the level of performance and improvement needed today requires learning, lots of learning. In most industries, in health care, and in most areas of government, there is no clear path to success, no clear path to follow. Learning Organization is an ideal, a vision. A learning organization is one in which people continually expand the capacity to create the results they desire and where new expanding patterns of thinking are nurtured, where collective aspirations are set free and where members of the organization are continually learning together to see the whole (Senge,1990). The most successful organizations are shifting from strategies based on prediction to strategies based on anticipation of surprises .They are shifting from management based on compliance to management based on self-control and self-organization. They are also shifting from utilization of already known knowledge to the creation of new knowledge, from pure 'technology', knowledge management (KM) applications to also include 'process' applications (Binney, 2001).An organization that learns to identify, digest and apply the lessons learned in its interactions with its environments and developing innovative solution to the constantly changing legal, political, economic and social environment. Company that facilitates the learning of its members and continuously transforms itself. According to Ash & Cohendet (2004), the process of creating, accumulating, and distributing knowledge is achieved through the functioning of informal groups of people, or autonomous "communities" acting under conditions of voluntary exchange and respect of the social norms that are defined within each group. That is nothing but learning organization.

The Learning Organization is a concept that is becoming an increasingly widespread philosophy in modern companies, from the largest multinationals to the smallest ventures. What is achieved by this philosophy depends considerably on one's interpretation of it and commitment to it. A Learning Organization is one in which people at all levels, individuals and collectively, is continually increasing their capacity to produce results they really care about." The importance of learning was first put forward by a Chinese philosopher, Confucius (551 - 47 BC). He believed that everyone should benefit from learning. "Without learning, the wise become foolish; by learning, the foolish become wise." "Learn as if you could never have enough of learning, as if you might miss something.". Learning Company is an organization that facilitates the learning of all its members and continuously transforms itself. (Pedler *et. al.* 1991)

Learning organizations are characterized by total employee involvement in a process of collaboratively conducted, collectively accountable change directed towards shared values or

principles. (Watkins & Marsick, 1992)

Learning Organization & Knowledge Management

Building a Creative and a Learning Organization is recognized as a pre-requisite for moving towards Business Excellence (Evans & Lindsay, 1999). An approach towards creating a Learning Organization is Knowledge Management, which as a concept is not new, but has gained wide acceptance for harnessing the intellectual assets within an organization to gain competitive advantage. Today, Chris Argyris and Peter Senge's concept of "Learning Organization" hold greater scope for improved knowledge sharing and learning, as information technology has transformed information sharing and dissemination. However, just managing knowledge is not the ultimate goal. The goal is to understand the relevance of developing knowledge and capability assets and how it facilitates organizations in evolving towards a Learning Organization. Achieving and sustaining competitive advantage requires organizations to learn better and faster from their previous experiences. A Learning Organization is one that, according to Senge, has acquired "systems thinking" by mastering the disciplines of 'shared values', 'personal mastery', 'mental models' and 'team learning' (Senge, 1992). 'System thinking' has therefore become known as the fifth discipline and is closely related to Deming's concept of 'knowledge system'. This system talks about profound knowledge, which is knowledge universal to all businesses, large or small. Once the individual understands the system of profound knowledge, he will apply its principles in every kind of relationship with other people. This will enable him make better decisions for organizational transformation. A Learning Organization and its people make use of their experience and others to improve their performance. Individuals learn to improve their performance through challenging their assumptions; which in turn provides new insights and perspectives about organizational improvement. People at all levels are included for decision-making process and are recognized for their contribution towards learning and disseminating the knowledge acquired to other employees. Some of the success stories that have shown the characteristics of a Learning Organizations are GE, Johnson & Johnson, Toyota Motors, Southwest Airlines, Intel, Cisco Systems, Tata Steel, Tata Motors, Infosys Technologies and many such organizations, what are common to these companies are their founding values, and their desire to create new products and markets, new approaches and greater customer value The corporation which is able to quickly learn and then innovate their work will be able to change their work practices to perform better in the constantly changing environment. Change is now measured in terms of months not years as it was in the past.

The greatest challenge organizations face today is how to manage their intellectual capital. The business environment has now entered a knowledge era, where knowledge has become powerful and building competency and capability in an organization has become a preeminent strategy for success. Thus managing knowledge is rapidly becoming more important to organizations than financial resources, market positions, technology and other tangible assets. Various organizations are talking about this concept in terms of intellectual capital, intellectual property, knowledge assets, and business intelligence. Corporate knowledge is being viewed as one of the most important sustainable untapped source of competitive advantage in business. There is always a new idea waiting to be discovered, new ways of doing things, new products, new strategies, and new markets. (McElroy W. Mark, 2000).Although the study of knowledge has its root in antiquity, the field of "knowledge management" as a self-conscious discipline. According to Peter Drucker, the collective knowledge residing in the minds

of its employees, customers, suppliers etc., is the most vital resource of an organization growth, even more than the traditional factors of production (land, labour and capital) .However, Knowledge Management does not happen by chance. A culture that promotes knowledge creation and provides for appropriate support processes is necessary. Therefore, if organizations are to fully benefit from the principles of Knowledge Management, they must focus on how the cognitive **capacity** of their employees and support processes are aligned to provide timely information for improvement. The cognitive (in the form of heuristics and intuitions) and the support processes (such as culture, products and services) are the two most important constructs with Knowledge Management.

Literature on the Learning Organization does not mention knowledge at all and some only briefly mentions knowledge in passing, but does not expand on the relationship between the two (Loermans, 2002). The level of Knowledge Management in an organization whose employees perform organizational tasks routinely can be determined from whether they are able or unable to contribute for any improvements in their organizational business processes. Equally, the support from the organization in providing the facilities that support and optimize knowledge management is an important issue. Based on the level of cognitive capacities of employees and support services existing in the organization, the condition can be classified as Integrated Knowledge Management. Effective Knowledge management requires not only addressing the mindset of the employees but also putting in place the necessary support services that facilitate an environment for knowledge creation and learning. An organization should always seek employees who demonstrate stimulating behaviour, acquire knowledge and know how to adapt to change. Knowledge and learning are fundamental factors that need to be addressed if business excellence is to be achieved for competitive advantage (Jha, Joshi, et al, 2006).

Knowledge management and learning organization are related. The management of knowledge includes creation and sharing of knowledge, which is a constituent of learning. However, learning also involves the decision to change future action, which is typically considered a (possible) outcome of knowledge management. .O'Dell et al. (1998) propose a particular approach to knowledge management that is based on (1) articulating a clear and appropriate "value proposition" (e.g., customer intimacy or operational excellence), (2) creating a supportive environment with the "four enablers" of culture, technology, infrastructure, and measurement, and (3) implementing a change process, typically consisting of steps such as plan, design, implement, and scale-up. Some issues in technology and culture are explored next. Knowledge management is inherently collaborative; thus a variety of collaboration technologies can be used to support knowledge management practices. Collaborative knowledge management tools that allow people to share documents, make comments, engage in discussion, create schematic diagrams, and so on can be valuable aids to support learning organization. Explicit process models may provide an important level of shared understanding, but may also unnecessarily rigidify the real nature of work. Furthermore, any explicit representation tends to highlight some aspects of what is represented and leave out others; in other words, all representations are political (Star, 1995).

Since organizations learn only through individuals who learn (Senge,1992), it is necessary to look closer at how individuals learn. In this respect, it is worth noting that individual learning is a necessary but not sufficient condition for organizational learning. We need to work on the technologies of knowledge creation in addition to managing it. Much connectivity

document management, concepts management, project management, employee's portals and so called knowledge management tools and techniques are available. But an effort to manage knowledge can only be successful if we can work and rethink the ways by which knowledge is generated and created. Strategic view of Knowledge Management considers the synergy between technological and human issues necessary for organizational survival. This synergy is based on the distinction between the 'old world of business' and the 'Global Knowledge Networking'. Technological infrastructures, "SECI" Knowledge Creation/Conversion cycle and "Ba" are three important concepts in the latest Knowledge Management literature that provide us yet another view of the knowledge creation and generation processes.

Need for knowledge creation

The primary goal of knowledge management is to "improve organizational performance by enabling individuals to capture, share, and apply their collective knowledge to make optimal decision in real time" (Smith & Farquhar, 2000). Knowledge management is much more than technologies for information sharing and collaboration: it also includes the creation and containment of communities of practice, coping with behavioural and cultural aspects of people, and creating trusted and validated content (Smith & Farquhar, 2000).

Today, however, sustained competitive advantages lies in the capacity to innovate continuously and to learn more rapidly than one's competitors (De Geus, 1988). It is no longer the technology itself that is a strategic resource, but rather, the organizational, technological and cognitive processes underlying the capacity to innovate and learn (Edmondson & Moingeon, 1996). That is why, knowledge is now considered by academics and practitioners as a vital source of competitive advantages. The company's ability to deal efficiently with its own knowledge is a primary source of creating value and developing the organization (Grant, 2000; Spender, 1996). However, while the value of knowledge to organizational success has been well documented, there has been little systematic study of how knowledge is enabled and transferred in organizations (Dixon, 2000).

Knowledge Management (KM)

Regardless of its evolution KM is recognized as an important competitive factor for business worldwide (Martin, 2000; Nonaka & Takauchi, 1995). Knowledge management (KM) is about developing, sharing and applying knowledge within the organization to gain and sustain a competitive advantage (Petersen & Poulfelt, 2002). Nonaka & Takauchi (1995) defined KM as the substantiated understandings and beliefs in an organization about the organization and its culture and environment. Knowledge Management programs are typically tied to organizational objectives such as improved performance, competitive advantage innovation, lessons learnt transfer (for example between projects) and the general development of collaborative practices. Tiwana (2002) defined Knowledge Management as a changing mix of worker's experience, values, expert insight, and environmental framework for evaluating and incorporating new experiences and information. It resides in the minds of the workers, but is often expressed in the culture of the organizations, including its routines, processes, systems, and norms.

Personal versus Organizational Knowledge Management Approaches

Traditionally, knowledge is defined to be information put into certain context. Nonaka,Toyama & Konno (2000) note that knowledge creation is necessarily context dependent

in terms of who participate and how they participate. Knowledge needs a physical context. This is one such central premise that gets extreme importance when selecting technologies for building knowledge management, sharing and creation system (Fayard, 2003). Polanyi (1966) has pointed out two dimensions of knowledge i.e., Tacit and Explicit. Explicit knowledge is formal, systematic and precise whereas tacit knowledge is difficult to formalize, difficult to express and it has low precision. Tacit knowledge is very personal and is not readily available without personal involvement and interest. Tacit knowledge is intuitive and is earned through experience and skill. One might not even find appropriate words or conditions to explain what one knows. The explicit dimension of knowledge has to be married with the tacit dimension in the continuous knowledge management, sharing and creation process.

In 1995, Nonaka coined the terms *tacit knowledge* and *explicit knowledge* as the two main types of human knowledge. The key to knowledge creation lies in the way it is mobilized and converted through technology. In this classification, *explicit knowledge* is considered to be formal and objective, and can be expressed unambiguously in words, numbers and specifications. Hence, it can be transferred via formal and systematic methods in the form of official statements, rules and procedures and so is easy to codify. *Tacit knowledge*, by contrast, is subjective, situational and intimately tied to the knower's experience. Thus, it is difficult to formalize, document and communicate to others. Insights, intuition, beliefs, personal skills and craft and using rule-of-thumb to solve a complex problem are examples of tacit knowledge (Daft ,2001; Hunter *et al.* 2002).

Transformation of Knowledge Processes

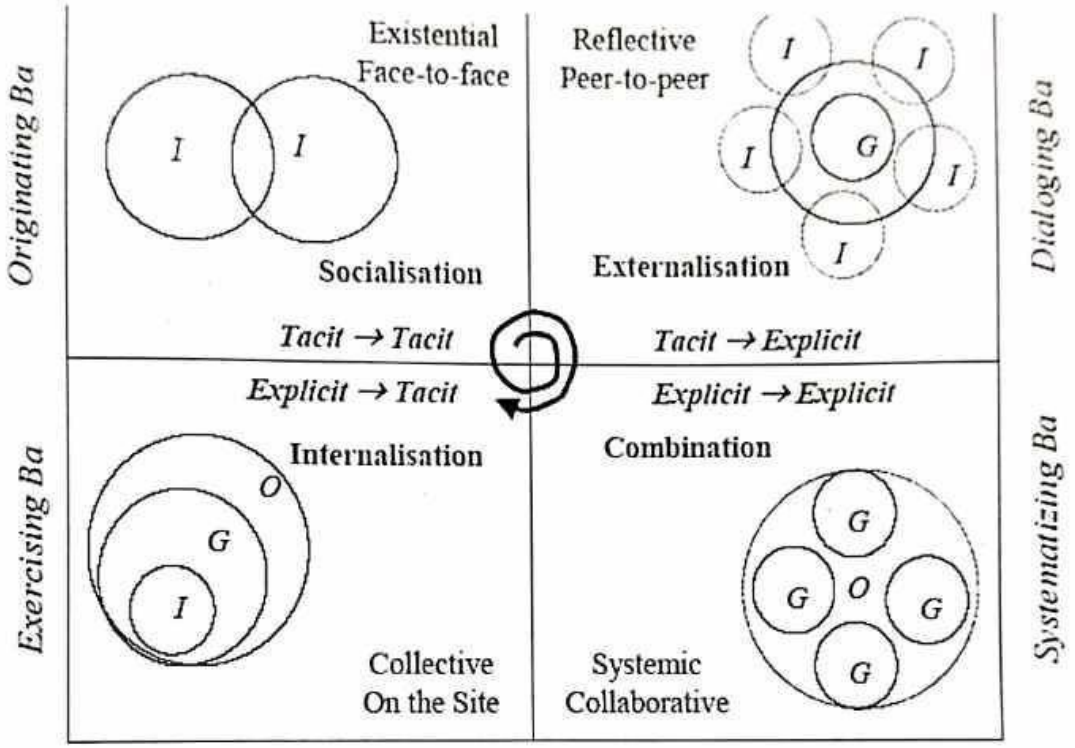
It is quite controversial to suggest that transformation processes are fundamentally knowledge processes, involving the creation, utilization, management, and manipulation of knowledge. This is done through knowledge creation. A number of scholars believe that when developing knowledge management systems, because of different organizational cultures, there will be variations in planning the processes of obtaining, innovating, storing, and proliferation of knowledge. Rogers (1983) took the position that organizations hope to increase their competitive abilities and operational performance, and they must establish an open culture with incentives for innovation and courage to shoulder reasonable risks. Only by doing this can they encourage high-quality employees to carry out valuable information and knowledge communications and exchanges.

Tacit Knowledge and Knowledge Creation

Nonaka and Takeuchi (1995) argued that a successful KM program needs, on the one hand, to convert internalized tacit knowledge into explicit codified knowledge in order to share it, but on the other hand, it also must permit individuals and groups to internalize and make personally meaningful codified knowledge they have retrieved from the KM system. Nonaka and Takeuchi argue that knowledge is created and expanded through the social interaction of tacit and explicit knowledge .Similar to the knowledge creation process, the learning process encompasses more than knowledge acquisition, knowledge in action, and cyclic conversion of tacit and explicit knowledge. This spiraling, highly dynamic and complex process is modeled in figure 2. It consists of four modes of knowledge conversion: socialization (tacit to tacit), externalization (tacit to explicit),

It is also common to distinguish between the creation of "new knowledge" (i.e., innovation) vs. the transfer of "established knowledge" within a group, organization, or community. Collaborative environments such as communities of practice or the use of social computing tools can be used for both creation and transfer. Nonaka and Takeuchi conceptualize the importance of tacit knowledge. For them, the tacit knowledge of individuals lies at the heart and is the prime mover of knowledge creation in organizations.

Figure 1: The Key Elements of the SECI Model



The SECI model met with broad acceptance, especially among management practitioners, due to its intuitive logic and clear delineation of knowledge types between tacit and explicit knowledge—utilizing this knowledge delineation first espoused in management theory by Polanyi (1958). The model also embodied an interaction dynamic by which knowledge is transferred in a spiral process, allowing the knowledge value to be enhanced through exchange between individuals and groups within the organization. The core behavioural assumption in the model is that knowledge creating companies continually encourage the flow of knowledge between individuals and staff groups to improve both tacit and explicit knowledge stocks. The critical knowledge management assumption of the SECI process is that knowledge is created and improved as it flows through different levels of the organization and between Adapted from Nonaka, Reinmoeller and Senoo, 2001

individuals and groups. Thus, knowledge value is created through synergies between knowledge holders (both individual and group) within a supportive and developmental organizational context.

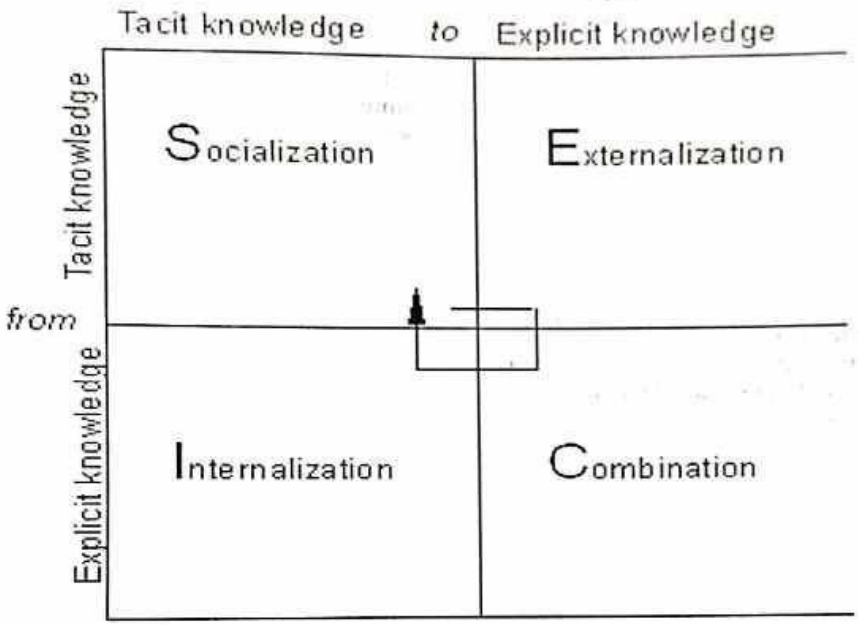
In the above diagram, the *I*, *G*, and *O* symbols represent individuals, group and organization aggregates. The transmission mechanisms are not prescribed, though there is an assumption that tacit knowledge (especially) requires a degree of proximity for knowledge transfer and exchange. Thus, while their work on knowledge transfer contended knowledge can flow through remote processes (telecommunications and information networks), issues relating to proximity and local exchange are of primary importance for the transfer of tacit knowledge. In 1998 a third, more challenging, cultural assumption was added to the SECI discussion. Nonaka & Konno (1998) introduced the Japanese concept of *Ba*, a philosophical construct rooted in Japanese society that relates to the physical, relational and spiritual elements of 'place', or perhaps more expansively 'context'. Four different notions of *Ba* are defined in relation to each of the four quadrants of the SECI model (in Figure 1 above the relevant types of *Ba* are noted adjacent to the respective quadrant), which together make up the 'knowledge spiral'.

Later refining SECI model (Nonaka et al 1998, Nonaka et al 2001) states that the knowledge assets of an organization are mobilized and shared in "Ba". The concept of "Ba" is its self very abstract, origination from Japanese language it does not have an exact translation in English, but can be defined as a mutual context in which knowledge is created, shared and utilized through interaction. "Ba" is a Japanese word which means "place or platform". As evident from traditional definitions of "Knowledge", we know that Knowledge is context sensitive and a context is necessary for its very existence. "Ba" provides this context to information converting it into knowledge Explaining "Ba" further he categorizes it into four types, Origination Ba enables employees to interact with each other and with the customers, secondly the Dialoguing Ba, the tacit knowledge of local employees to create sales forecasts, in dialogue with each other. Third, is the Systemizing Ba, in which the sales forecasts are tested against the sales results and finally the Exercising Ba, where the information is used and compared with reality, the staff uses it to improve their skills and ability to make forecasts. There are four modes in which organizational knowledge is created through the interaction and conversion between tacit and explicit knowledge: socialization, externalization, combination, and internalization (Nonaka &Takeuchi ,1995).

The SECI model suggests a four stage process for knowledge creation and conversion. The four stages include Socialization, Externalization of knowledge, and Combination of knowledge and Internalization of knowledge. More specifically, meeting rooms and class rooms are typical physical places that provide shared context to the participants to understand, share and create new knowledge in the form of products, processes and services. Virtual, chat rooms, e-mail and web conferences are few such technologies that could provide a shared context or platform i.e., "Ba" to the knowledge workers using technology. A question however can be raised on the quality of "Ba" provided by these technologies e.g., email is time consuming, chat rooms involve a lot of typing, and web conferences bring many technical hitches in the process of knowledge creation. All the technologies are available and accessible to many organizations but still, knowledge management efforts are not as productive as they should be. This can be avoided if we can take care of the human aspects of such efforts while selecting technologies. When a technology model is built, using any technique or technology, to manage knowledge, provision

of the shared context of knowledge needs to be considered. The organization have to focus significant attention on the development of its "Ba's" since more is to be gained by developing the environment around knowledge processes than efforts directed at the processes themselves. A true knowledge management system can only be created by marrying human and technological aspects of knowledge creation to take care of educational, socio-cultural interaction, economy, business, politics, and government, religion and environment needs of the stake holders.

Figure 2: Explicit and tacit knowledge management processes (SECI MODEL)



Adapted from Nonaka & Takeuchi (1995)

Socialization is the process of sharing experiences and thereby creating tacit knowledge such as shared mental models and technical skills"(Nonaka &Takeuchi, 1995). It is experiential, active and a "living thing," involving capturing knowledge by walking around and through direct interaction with customers and suppliers outside the organization and people inside the organization. Socialization is a process of sharing experience and thereby creating tacit knowledge. Socialization therefore facilitates the transfer of the most difficult type of knowledge. Once an individual has attained Tacit knowledge S/he can pass that knowledge to others by Externalization. *Socialization* of tacit knowledge happens when individuals are prompted to accumulate knowledge through physical proximity and interaction with colleagues from different organizations in the apprenticeship manner. Individuals usually talk and share information during work processes without pre-defined shared goals, but they follow their own personal agendas. Hall & Andriani (2003) suggested that socialization is the process of communicating

and enhancing tacit knowledge. The main aims of socialization phase are participating in social networks across various borders, talking about, sharing, shaping and taking ownership of institutional norms and visions. In this mode the organizational objectives, norms and standards should be accessible for individuals from different organizations and shareable between them in electronic format to understand the work situations and task contexts.

Externalization is a process of articulating tacit knowledge into explicit concepts and metaphors are frequently used to facilitate the process" (Nonaka & Takeuchi, 1995).It is a process of converting tacit knowledge into explicit concepts through the use of abstractions, metaphors, analogies, or models. Externalization can also be triggered by dialogue or collective reflection. The processes for making tacit knowledge explicit are externalization. One case is the articulation of one's own tacit knowledge - ideas or images in words, metaphors, analogies. A second case is eliciting and translating the tacit knowledge of others - customer, experts for example - into a readily understandable form, e.g., explicit knowledge. Dialogue is an important means for both. During such face-to-face communication people share beliefs and learn how to better articulate their thinking, though instantaneous feedback and the simultaneous exchange of ideas. Externalization is a process among individuals within a group. It should happen when individuals are prompted to create and articulate tacit concepts through adductive thinking, the use of metaphors for concept creation, the use of models, diagrams or prototypes. Two simultaneous aims are important in the externalization process: a) workers at industry and university staff need to individually reflect why, how and what they do in their professional practice, and simultaneously harmonize that knowledge with organizational visions, norms, and expected competences (e.g. accepted professional competence scales, accepted theories, etc.); b) They must be provided with the access to documents from different organizational repositories that convey information about such visions, norms and organizational expectations, and in the documentation process some commonly created ontology and mutually meaningful workflow scheme should be used to write down their experience.

Combination consists of the activities of systematizing concepts and exploiting knowledge into a knowledge system through different media (Nonaka & Takeuchi (1995).It is a process of creating explicit knowledge by bringing together explicit knowledge from a number of sources. Thus, individuals exchange and combine their explicit knowledge through telephone conversations, meetings, memos, and so on. Existing information in computerized databases may be categorized, collated, and sorted in a number of ways to produce new explicit knowledge. Once knowledge is explicit, it can be transferred as explicit knowledge through a process Nonaka calls ***combination***. This is the area where information technology is most helpful, because explicit knowledge can be conveyed in documents, email, data bases, as well as through meetings and briefings.. Combination allows knowledge transfer among groups across organizations.The aim of the combination phase is to keep the organizational knowledge, rules and objectives updated with the real work processes and develop new norms and visions for organizations. In the combination phase of extended organizations simultaneously the individual-organization and organization-organization exchange should take place. This would increase the cross-border translation possibilities and enhance the uptake of knowledge into new situations. In this mode individuals may look for collaborators and form various communities or groups that have shared goals. They should discuss about externalized knowledge objects, modify them and finalize as new knowledge object, which could in the future guide organization's shared practice.

Finally, **Explicit to tacit communication (Internalization)**: This implies taking explicit knowledge (e.g., a report) and deducing new ideas or taking constructive action. One significant goal of knowledge management is to create technology to help the users to derive tacit knowledge from explicit knowledge. Nonaka and Takeuchi (1995) suggest that the production of new knowledge involves "a process that 'organizationally' amplifies the knowledge created by individuals and crystallizes it as a part of the knowledge network of the organization" (Nonaka and Takeuchi, 1995). Two sets of activities drive the process of knowledge amplification: (1) converting tacit knowledge into explicit knowledge; and (2) moving knowledge from the individual level to the group, organizational, and inter-organizational levels. The process grows like a spiral as the dance between tacit and explicit knowledge takes place at higher and higher levels of the organization. It is closely related to "learning by doing.. It can be Physical – office, Virtual - email, teleconferencing Mental - shared experiences, ideas, beliefs Relationship - people sharing common goals as mutually complementary.

Internalization phase is mainly an individual planning and learning process. Two aspects are important in internalization: a) It contains planning and externally reflecting what competencies and goals they want to achieve, and simultaneously harmonizing their plans with organizational visions, norms and expected competencies (e.g nationally accepted professional competence scales, accepted learning theories, etc.); b) planning the professional development suggest learning from other professionals' experiences and combining it with academic knowledge it with academic knowledge. In the internalization phase the resources created in the externalization phase could be accessed and used for planning personal learning flows. The plans created in this phase will be realized in professional practice, discussed in the socialization phase and the achievements would be reflected in the externalization phase. Such interpretation of internalization phase differs from the original SECI model, described by Nonaka & Takeuchi (1995).

Conclusion

In today's global environment where knowledge has to cross national boundaries, there is an urgent need to understand the influence of cultures in the organizational processes of knowledge creation and transfer. In summary, without going into the epistemology and philosophy, this paper sheds light on the "SECI" model and the concept of "Ba" that assumes even more importance for such the societies and organizations and of the future. SECI knowledge management model is based on the idea of increasing individuals' intrinsic motivation to actively learn in work context by enabling them in self-directed way to carry out their own personal learning goals within the organizational environment. Focus is on presenting and synergizing both the technical and the human aspect of managing knowledge in an organization and society. It shall also thrashes on how such a synergy will take care of the educational, socio-cultural, business and governmental needs of knowledge organizations. Both models recognize that knowledge creation, sharing and use are inherently social activities that are embedded in a web of cultural norms and human relationships. The creation and utilization of knowledge takes place most effectively in groups and teams that share common purpose and beliefs.

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