

Organizations in change

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Why organizations are changing?

- Society is getting more and more knowledge intensive
- The networks are getting wider and tighter
- The competition is getting harder
- Companies compete with innovations
- People in western world are highly educated

Knowledge Intensive Organization

- Mechanistic features
 - explicit knowledge, challenge to control
- Organic features
 - tacit knowledge, challenge to change
- Dynamic features
 - potential knowledge, challenge to self-organize

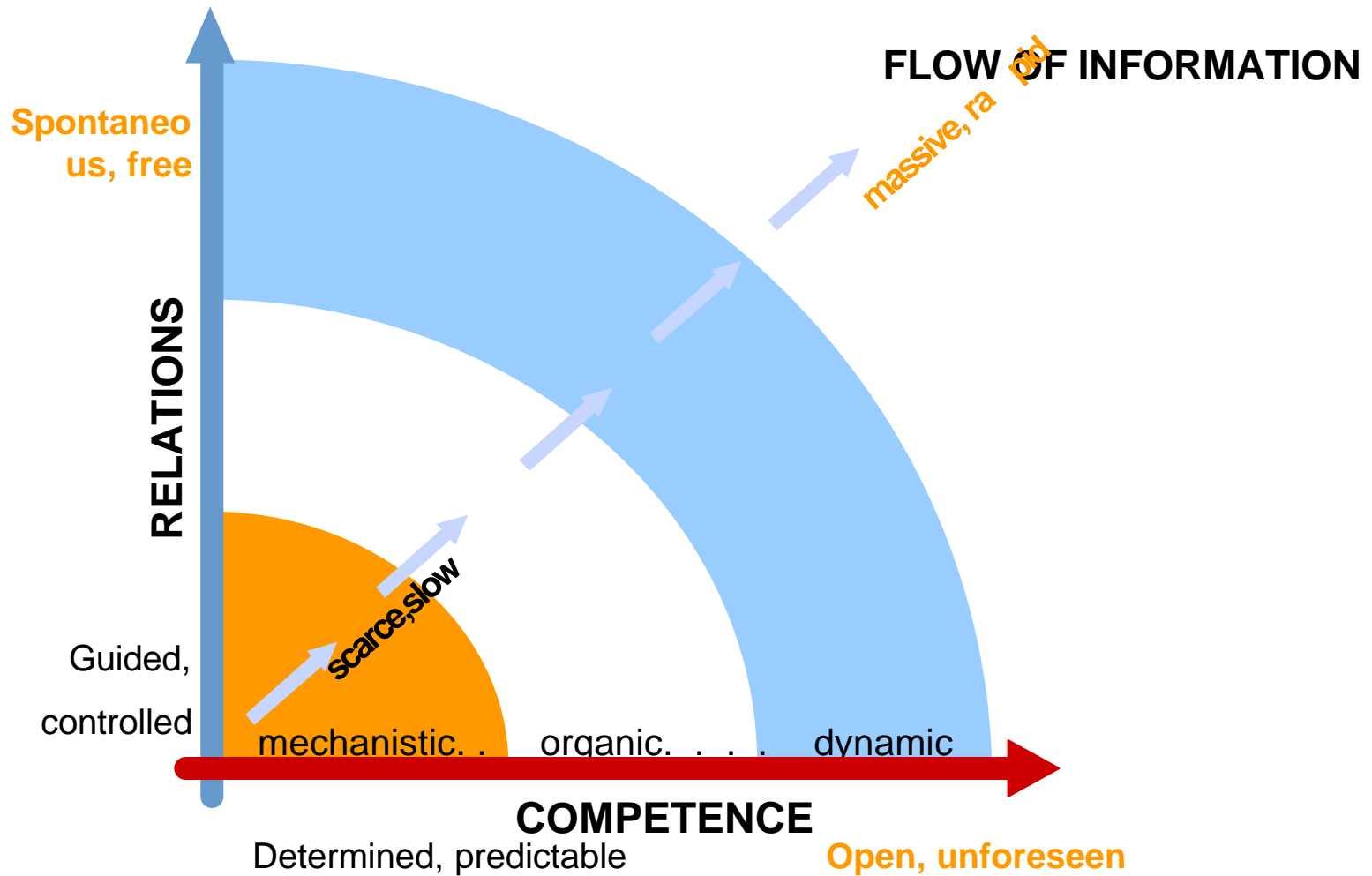
Knowledge Management helps organizations

- to find, share and use information
 - to enhance knowledge creation
 - support innovativeness
- > added value, competitive advantage

3 Types of Knowledge

- Explicit
 - Document
 - Official knowledge base
- Tacit
 - Talk
 - Experiences
- Potential
 - Dialogue
 - Weak signals

Three-dimensional Organization



Every organization has mechanical, organic and dynamic operational environments. The competitive organisation needs them all.

Mechanical environment produces stability and controlled quality.

Organic environment produces adaptive development of performance.

Dynamic environment produces ability for organisational self-renewal and innovativeness.

Mechanical environment is based on authoritarian management and permanent organization structures. Knowledge is formally documented, and is delivered from top to down.

Organic environment is based on empowering management and co-operation. It is everyone's responsibility to evaluate action and to improve performance. Knowledge is experience-based and it is enhanced through reciprocal dialogue and communication.

Dynamic environment presumes the management's ability to take risks and to assign power. Knowledge has to be cultivated from chaotic flood of information and from weak signals.