

## Organizations in change

Pirjo Ståhle  
23.11.2001

## 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

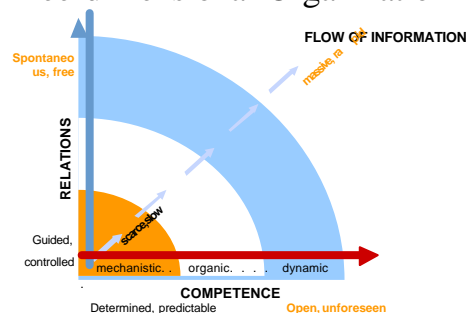
## Knowledge Management helps organizations

- 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.