

# Organizational Learning- knowledge Management Integration and Individual Performance

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## Conference Paper

# Organizational Learning-knowledge Management Integration and Individual Performance

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## Abstract

Utilization of qualified human resources will provide benefits for an organization. One way to create qualified human resources is to increase their knowledge. Knowledge management is, therefore, needed to improve organizational performance. Understanding the organization as an attempt at improving the performance of individuals is not limited only to the implementation of knowledge management but also to the needs of other components that can complement the knowledge of individuals with the aim of enhancing organizational performance. One component that can help improve knowledge management is organizational learning. The integration of organizational learning and knowledge management is expected to enhance the individual knowledge in the existing business for the purpose of improving individual performance. The purpose of this study is to determine the effect of organizational learning-knowledge management integration on individual performance. The result shows that organizational learning-knowledge management integration has a positive effect on individual performance.

**Keywords:** organizational learning, knowledge management, organizational learning-knowledge management integration, individual performance

## 1. Introduction

In some developing countries, such as Africa, India and Indonesia, public hospitals absorb a large number of human resources. However, the need for human resources has not been able to be met by the government [3]. In addition, in some of the aforementioned countries, healthcare organizations such as hospitals still face a variety of challenges to continue to provide the best services to their clients [14].

Providing the best services means demonstrating quality of work or performance to the clients, which, in turn, will determine the ability of the hospital to survive in the face of a very dynamic competition. Today, many hospitals are starting to implement

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human capital management with the aim of utilizing their human resources effectively and efficiently [10].

The utilization of qualified human resources will provide benefits for an organization because human resources are the greatest assets they own, including hospitals. What makes human resources valuable assets to the organization is the knowledge they have [5]. Therefore, an appropriate management is required so that the knowledge can be utilized optimally and will not disappear, even if some of the staff resign or retire.

According to Nonaka and Takeuchi (1995), the knowledge possessed by staff basically consists of two types, namely *tacit* (knowledge that exists in the human brain) and *explicit* (knowledge that has been documented). Nonaka and Takeuchi (1995) state that there are four forms of knowledge conversion: 1. *Socialization: from tacit to tacit*; 2. *Externalization: from tacit to explicit*; 3. *Combination: from explicit to explicit*; 4. *Internalization: from explicit to tacit*.

Thus, the best way to retain valuable knowledge, in both tacit and explicit form, is to identify it and ensure that the knowledge is produced and stored in a way that can be reused in the future [13]. Dalkir (2005) states that a system that is run to manage organizational knowledge combined with individual skills, potential, ideas and innovation is called knowledge management. According to Rasula (2012), knowledge management is a series of processes that include creating, accumulating, organizing and utilizing knowledge that can support the achievement of organizational goals.

According to Chao et al. (2012), practically, knowledge management has not spread thoroughly. Therefore, integration with other concepts is needed to improve knowledge management in order for it to be able to run optimally [2]. One concept that is expected to improve knowledge management is organizational learning. The organizational learning cycle concept presented by Crossan et al. (1999) states that learning occurs in four processes at three levels. These learning processes are: intuiting, interpreting, integrating and institutionalizing.

Knowledge management and organizational learning are complementary. Incomplete knowledge management will be perfected by organizational learning that runs thoroughly, ranging from individuals and groups to organizations. On the other hand, incomplete organizational learning will be perfected by knowledge management [7]. Organizational learning-knowledge management integration takes place in four steps. The first step integrates intuiting with socialization. The second step integrates interpreting with externalization. The third step integrates integrating with combination and the fourth step integrates institutionalizing with internalization.

The knowledge management done through organizational learning-knowledge management integration is in the form of a series of activities undertaken to gain new knowledge, share knowledge and create new knowledge. In implementing the series of activities of this organizational learning-knowledge management integration, all hospital staff are indirectly forced to learn, innovate and show their best ability. Thus, there will be a shared perception and comprehensive knowledge as well as internalization within each individual. Internalization within individuals will be seen from the improvement of performance in running a BLUD (Regional Public Service Agency) in the hospital.

## 2. Literature Review

Organizational learning-knowledge management integration occurs through a merger of two processes, namely the organizational learning process and the knowledge management process. Organizations that implement organizational learning-knowledge management integration will be able to improve the quality of their human resources through better knowledge and management experience [1].

The organizational learning process is an attempt to create new knowledge owned by the members of the organization so that the organization can adapt to the continuous changes of the environment [1]. Organizational learning-knowledge management integration stimulates the members of the organization to continuously improve their knowledge to enhance existing business processes. The organizational learning-knowledge management integration is expected to enhance individual performance in the organization [12] and potentially develop the knowledge of organizational members by influencing their behavioral change [1].

$H_1$ : Organizational learning-knowledge management integration has a positive influence on the performance of hospital staff

## 3. Method

Data analysis in this study was conducted using descriptive and inferential statistical analysis. The inferential statistical analysis was done using multivariate analysis of variance (MANOVA). The method used is action research through intervention with pretest-posttest of non-randomized control design. The study was conducted from July 2016 to January 2017. The hospitals selected as research sites were type C hospitals with BLUD status since 2014. The number of research subjects was 146 staff in

the hospitals that did not implement organizational learning-knowledge management integration and 125 staff in the hospitals that did do so. Samples were divided into samples for pretest - posttest and samples for intervention process of organizational learning-knowledge management integration in the hospitals that implement organizational learning-knowledge management integration. The samples for the intervention process of organizational learning-knowledge management integration were taken from the hospitals that implemented organizational learning-knowledge management integration

The variable of individual performance is measured using five dimensions developed by Endicott (2001) in the form of the Endicott Work Productivity Scale (EWPS) with a 0-120 interval scale. Organizational learning-knowledge management integration has been undertaken because there has been no research that integrates between the concept of knowledge management proposed by Nonaka and Takeuchi (1995) and the organizational learning concept proposed by Crossan et al. (1999). This is the basis of organizational learning-knowledge management integration. The form of organizational learning-knowledge management integration consists of four steps, namely: (1) intuiting-socialization, (2) interpreting-externalization, (3) integrating-combination, and (4) institutionalizing-internalization.

## 4. Results

The pretest conducted also measures the individual performance of the respondents. The pretest results of different tests of individual performances conducted in the hospitals that implement organizational learning-knowledge management integration and the hospitals that do not implement organizational learning-knowledge management integration are presented in Table 1.

TABLE 1: The pretest results of different tests of individuals.

Hospital	Number	p-value
Not implementing	146	0.688
Implementing	125	

Different test analysis results show that the respondents from both types of hospitals have relatively the same performance. Thus, an assessment of the effect of the implementation of organizational learning-knowledge management integration on individual performance can be further analyzed because respondents generally

have the same levels of attendance, performance quality, performance quantity and individual factors.

Measurement and analysis of the effect of organizational learning-knowledge management integration on individual performance in the hospitals were performed after the intervention process had been completed. The results of measurement and analysis of the effect of organizational learning-knowledge management integration on individual performance are presented in Table 2.

TABLE 2: MANOVA test.

Hospital	Number	p-value	R <sup>2</sup>
Not implementing	146	0.001	0.037
Implementing	125		

The organizational learning-knowledge management (OL-KM) integration has a significant influence on individual performance based on a multivariate analysis of variance (MANOVA) test with  $p$ -value = 0.001 and influence strength = 0.037, which means the influence of OL-KM integration on individual performance is weak.

## 5. Discussion

The results of this study are in line with the opinion of Skyrme (1998) in that learning from the experience of several staff in each unit, in order to survive obstacles or challenges, the hospitals should be flexible, adaptive and constantly improve capacity and facilities. Thus, the hospitals should be able to implement organizational learning-knowledge management integration continuously in order to be able to consistently identify the commitment and capacity of the staff involved in the organizational learning process in each work unit.

The organization of hospitals that have implemented organizational learning-knowledge management integration is one in which the people involved continuously expand their capacity to achieve the goals they desire, with a new, broader and more manageable mindset. There is freedom of aspiration and the members of the organization are given freedom to always learn together in teams.

The implementation of organizational learning-knowledge management integration can make hospital staff work together to manage their knowledge. The management is done by shaping, organizing and reusing existing knowledge through socialization and discussion. Thus, the knowledge shaped becomes more complete because it can complement the knowledge of one individual to another.

In the process, the socialization and discussion activities take place at all levels (individuals, groups and organizations). Individual knowledge is discussed in groups so that it can create an integrated knowledge as needed. Then, the knowledge at group level is brought to the level of organization and readjusted to fit the organization's goals, needs and resources. Although such knowledge may be at the group or organizational levels, it originally belongs to the individual.

Organizational learning-knowledge management integration has an influence on individual performance because there is a briefing on participants during the intervention process so that participants try to learn and strive to create innovation and creative ideas. In addition, controlled and supervised intervention processes ensures almost all participants stay active.

The dynamism of staff is always supported by the hospital leaders. This can be seen from the opportunity of the staff to always develop and improve their knowledge without being limited by age and years of service. The managers recognize, give thumbs up and provide rewards to those who are able to demonstrate their ability to develop. This motivates the staff to always be creative and innovative in thinking and in keeping up with the rapidly changing information.

## 6. Conclusions

This is the first study which seeks to integrate organizational learning with knowledge management in one unit of the business process to improve service quality. This study uses hospital as a single business unit that provides services to consumers. The organizational learning-knowledge management integration is expected to increase the knowledge of individuals in the hospital, which, in turn, will improve the quality of the hospital.

Increased knowledge of hospital staff, related to existing business processes, is able to provide improved individual performance of hospital staff. Respect for individuals who are able to increase their existing knowledge grows due to the implementation of organizational learning-knowledge management integration which always encourages each individual to be more creative and efficient in running the business process in the hospital.

This research is expected to become a foundation for future organizational planning to enhance individual knowledge in organizations and streamline existing business processes by integrating organizational learning-knowledge management in each organization. The organizational learning-knowledge management integration

becomes an impetus for the improvement of individual performance in each organization.

For the purposes of future research, it is important to use organizational learning-knowledge management integration in organizational planning, such as in setting policies and creating organizational values based on knowledge development and an understanding of the business operations of the organization.

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