Economic and Psychosocial Implications of Knowledge upon the Management Skills in Romanian Organizations

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Abstract: - In the new knowledge based economy, knowledge is the main strategic resource of the company, organizational learning is the main strategic instrument and in this context success depends on the culture that reaches into the knowledge based organization. Knowledge-based economy requires both in Romania and internationally, the presence of intelligent organizations, with advanced management capabilities of their collective skills, as sources of performance. Organizational learning is inevitable, arising from systemic complexity that goes beyond the rigid hierarchies and traditional practices and entails the emergence of non-hierarchical organizational structures. This is the context that leads us to the conclusion that learning processes should:

- Become more and more anticipatory and participatory;
- Ensure the transition from specialist to generalist;
- Focus on innovative learning;
- Ensure the autonomy of the individual (as a key element of personal fulfilment) and its organic integration into society (as a key element of human relations).

For Romania, the imbalance between the potential of the intangible assets of the organizations and the level of their exploitation has, as main generating reasons, the following:

- The insufficient use of the innovation capacity;
- The insufficient use of human capital relative to its formation process, with significant implications in the international migration;
- The existence of disadvantaged areas and of knowledge disparities between various regions of the country and between rural and urban;
- The discrepancies between highly qualified staff and the degree of physical and moral wear of some infrastructures.

Key-Words: - learning organization, organizational learning, knowledge-based economy, management, Romania

1 Introduction
Research shows [17] that learning activities, carried out individually, are not transferred, with ease, at the organizational level. On the other hand, new technologies available inside the organizations allow their employees to work, think and act globally [13], but also to innovate, at a scale and pace out of reach until now. Today, worldwide, all great managers recognize that in order to collaborate and to lead effectively, we need a completely different type of management, different from the one based on the authority that comes from the hierarchical scheme of the company.

To develop tools, techniques and systems capable of allowing organizations to overcome these limits and to fully benefit from a performing management [21], adapted to the global knowledge economy era, complex research is needed, adapted and adaptable to the cultural and economic reality, research integrated with a solid theoretical basis. As a result, worldwide, more than ever, knowledge is accepted as one of the main sources of competitive advantage [6]. In this context, the ICT
spectacular development influenced decisively the capacity of organizations - regardless of their size - to acquire, store, use and disseminate knowledge. Like the knowledge-based economy and management, organizational learning is a relatively recent concept [11] in the vocabulary and mental models of practitioners; it appeared in response to the many challenges of the organizational change. Although when they appeared, the terms learning organization and organizational learning were interchangeable [26], gradually, since the mid '90s, the two concepts were separated into two streams.

Learning organization now represents the prescriptive current [3], with a strong pragmatic character, focused on the characteristics of the organization that facilitates learning and aims at creating a certain type of organization.

Organizational learning represents the descriptive current, focused on the learning process in the organization [10]; this trend is rooted in social and cognitive psychology and has an academic orientation [30].

Among the most important characteristics of organizational learning are:

- For a company to transform itself into a learning organization, is necessary for its management to decide that reaching this stage is a strategic objective and also to design the set of needed actions [23], based on the involvement of as many employees as possible;
- The organizational learning is not referring only to the acquisition of new knowledge [1], but is also using this knowledge in carrying out business activities, generating new knowledge;
- The learning organization means and involves human resources that learn;
- Together with the individually learning processes, there are collective processes of organizational learning [8], which refer to the firm as a whole;
- Permanent knowledge and consideration of the major factors influencing organizational learning: the business environment, the organizational structure, the organizational culture, the business strategy, organization’s employees, etc.
- Create, in the knowledge-based companies, a new type of specialist - the agent of organizational learning, which is taking part effectively in the organizational learning processes [29]. His main qualities are: proactive but reflective, high aspirations, but realistically about the limits, critical, dedicated to learning, independent but very cooperative with others [19].

Since the 90s, the learning organization has become synonymous with performance and sustainable success, being a model for an organization continuously concerned about its future [27], adapting to the environmental changes and shaping its internal structure depending on this external environment.

The Romanian organizational environment has not taken exception from the global trend of orientation towards knowledge but due to the lack of strategic options [9], the tendency manifested unsystematically, and especially in the informal plan.

To ensure feasibility of organizational learning projects in the Romanian context requires joint efforts of the information technology together with an adequate managerial and educational support. In this context, at national level, the following are very important:

(1) Form and train the necessary professionals with skills in the knowledge management related fields [4]
(2) Official recognition of new professions and occupations related with the knowledge based organizations [18]
(3) Training of trainers for these skills profiles [4].

Projects to achieve organizational learning management require strategic commitment and ingenuity in combining IT facilities with well-established organizational practices [24] related to innovation, learning and interactive partnership.

Learning organizations are likely to promote in the society the value of responsible behaviour [15] among the behaviours and relationships of the social actors.

In the context of the new trends promoted by the Bologna and Lisbon processes [5], many states in the world are engaged in promoting a sustained, large and complex development based on knowledge. In these countries, there is a constant concern at managerial and organizational level for promoting "knowledge innovation" [25].

And yet, experts warn that we may soon face a "knowledge poverty" in the context of the increasing subordination and sometimes even exaggerated to the interests of large companies which might compromise the indispensable independence of the academic expertise [7]. In many European countries that have adopted the Bologna and Lisbon "directives" can not go unnoticed the disappearance of whole sectors of research and education, areas declared to be sufficiently "efficient" in terms of the established objectives, which gives place to a decline in fundamental research [31]. Thus, knowledge is practically hijacked from its social and civic functions, being contrary, just put in the
service of the interests of private business [27]. This "neo-liberal cultural revolution" can generate knowledge from research to education, becoming more segmented, more ephemeral and increasingly incapable of facilitating understanding of the world in its globalism [28], thus become increasingly less useful for citizens.

The extensive process of the transition to a knowledge-based economy, especially in Romania, is a process of extreme complexity [22], difficult, which should benefit from all the support and participation of the economic social, educational and policy agents, of the country, in close correlation with the European level trends.

2 Problem Formulation

Our research hypotheses and the obtained results were the following:

**General hypothesis**: the realization of a formative program is associated with the development of skills that enable the organizational learning and the functioning of a learning organization in the context of knowledge based economy in Romania, inside the doctoral school of ASE Bucharest (Fig. 1).

Specific research hypotheses:

**Hypothesis 1**: the realization of a skills development program that favours the organizational learning is associated with increased cognitive abilities of the PhD students involved in the formative program;

In the initial testing, both the average score obtained and the distribution form, revealed, by reference to the standard, a low level of the: motivation for learning, curiosity, tendency to learn for pleasure, intrinsic motivation for learning. At final testing, the average score indicated the average size assessed, which amounts to the improvement of the learning motivation, as a result of the formative program.

**Hypothesis 3**: creating a skills development program that promotes organizational learning is associated with increased work motivation of the PhD candidates involved in the formative program;

After the final testing, the average score obtained showed an average level of the measured dimension, a fact that represents the improvement of the work motivation, as a result of the formative program.

**Hypothesis 4**: conducting a skills development program that favours the organizational learning is associated with increased motivation for learning of the PhD candidates involved in the formative program;

In initial testing, the average scores showed low to medium level of personality characteristics such as: perseverance, flexibility, ethical behaviour, autonomy, teamwork, sociability. At final testing, the average scores obtained showed a medium to high level of the personality characteristics analyzed, which means strengthening them as a result of the formative program.

**Hypothesis 5**: conducting a skills development program that favours the organizational learning is associated with increased self-image of the doctoral students involved in the formative program;

In initial testing, the average scores obtained showed a low to very low level of: self-esteem, capacity for self-knowledge, ability of evaluate oneself, self confidence. At the final testing, average scores showed a high level of features analyzed, and at the post-test, an average level.

**Hypothesis 6**: creating a skills development program that favours the organizational learning is associated with increased experience in the learning domain of the PhD students involved in the formative program.

In initial testing, the average score obtained showed a low to very low level of: the safety of self, self-esteem, capacity for self-knowledge, self-ability, self-confidence. At final testing, the average score indicated a high level of features analyzed, while the post-test, an average level of these characteristics (Fig. 2).
### 3 Problem Solution

The scientific research has been developed in the Doctoral Studies Institute (ISD) of the Academy of Economic Studies (ASE) in Bucharest, being circumscribed both to the Exploratory Research Project – Ideas no 1844/2008M2011, and to the Structural and Operational Project of Human Resources Development (POSDRU) with the title Doctorate and PhD Candidates in the triangle Education - Research – Innovation.

The research was conducted in partnership with specialists of the Research Centre for Excellence in Professional Training, located in the State University of Pitesti and had, as a goal, the construction of the Development Program of the necessary skills that lead to organizational learning and to the development of learning organizations in Romania.

Starting from the reality that any university is, par excellence, an organization that learns and which has as essential purpose, the training of future specialists who, will also favour in the future, learning at organizational level, we structured my research on a sample of 299 doctoral students (students in years II and III of ISD from ASE), doctoral students who occupy the majority (195 persons), managerial functions at different hierarchical levels and in the organizations they belong to.

In the Table No. 1 is represented the validation of the diagnostic instrument was made using the Behavioural Rating Scale with Anchors (SEAC).

The research started with the distribution, to the 299 students of the doctoral program in FDI from ASE Bucharest, a self-evaluation test. The next step was to study the psychometric parameters of SEAC, taking into account the evaluation of the correctness of measuring the individual skills with the instrument obtained. The fidelity of the scales dimensions was determined via Cronbach alpha coefficient of internal consistency, monitoring the inter-item correlation matrix to determine the internal consistency of the instrument used for the mentioned dimensions.

Data obtained in the analyzed case was centralized and the items were analyzed using SPSS for Windows, version 15. Through it, it was established the internal consistency of the Self evaluation test, as a measure of loyalty.

One of the difficulties we encountered during the research was generated by identifying the modality in which these people had a low or very low overall score in the evaluation of individual skills that facilitate learning in organizations; we identified various situations, encountering PhD candidates who had:

- low scores on all subscales of the instrument (cognitive skills, motivation for learning, motivation for work, personality, self-esteem, learning experience);
- low scores only in some of the instrument subscales, with higher scores on other subscales; we have to mention that we could not identify a specific pattern of occurrence.

We also found out that the group was formative group was not homogeneous and that the formative group program should be complemented by individualized interventions tailored by the type of difficulty.

### Table 1

<table>
<thead>
<tr>
<th></th>
<th>Initial test</th>
<th>Final test</th>
<th>Post-test</th>
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<tr>
<td>average</td>
<td>3.346</td>
<td>3.607</td>
<td>3.353</td>
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<tr>
<td>Trust</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>max</td>
<td>3.229</td>
<td>3.447</td>
<td>3.237</td>
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<tr>
<td>95%</td>
<td></td>
<td></td>
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<tr>
<td>min</td>
<td>3.464</td>
<td>3.767</td>
<td>3.470</td>
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<tr>
<td>Average standard error</td>
<td>0.580</td>
<td>0.791</td>
<td>0.578</td>
</tr>
<tr>
<td>median</td>
<td>3.285</td>
<td>3.570</td>
<td>3.285</td>
</tr>
<tr>
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<td>0.142</td>
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<td>0.513</td>
<td>0.375</td>
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<tr>
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4 Conclusion
The final results obtained from the evaluation questionnaire of the research program led us to the following conclusions:
a) General conclusions:
• Most participants appreciated the organization of the research and the quality, complexity and accessibility of the training program;
• Over 80% of the participants considered that such a program is adapted to real knowledge of the Romanian organizations;
b) Specific conclusions of the analyzed domain:
• The research showed as being relevant for the organizational learning, the following six individual dimensions: cognitive skills, motivation for learning, motivation for work, personality type, self esteem, learning experience;
• Human resources training needs inside the knowledge-based organizations are generated, primarily, by:
  ▪ cognitive skills - medium to high level;
  ▪ motivation for learning - low;
  ▪ motivation for work - low;
  ▪ personality - low to medium level of personality characteristics as, for example, perseverance, flexibility, ethical behaviour, autonomy, teamwork, sociability;
  ▪ self-image - low to very low levels of: confidence, self esteem, self-awareness and self-evaluation capacity;
  ▪ learning experience - medium to high.
Based on the data obtained from the undertaken research, the formative program aimed to optimize all the six dimensions relevant for organizational learning. In this context, to my surprise, although we had expected significant changes, especially in the dimensions that were characterized by low scores at the beginning (as, for example, the motivation for work, the learning motivation, personality type and self-image), we found only modest improvements in the "cognitive skills" and "learning experience".
In the last part of our paper we presented some point of views and conclusions related to the investigated domain.
Given that organizations have become tools to ensure the achievement with maximum efficiency of the goals and/or objectives, managerial behaviour has become an extremely important factor for promoting the organizational learning.
We have identified six skills able to provide substantial opportunities for a successful learning organization:
• establish objectives;
2) conversion of tacit knowledge into explicit knowledge;
3) collective contribution of different social groups to create new knowledge from the synergy of their different skills;

• the relationship between organizational identity and organizational learning is a powerful [2] one that facilitates the adaptability of the organization to a constantly changing environment [14].

Together with the research team, we formulated the proposal that the five dimensions related to learning organization profile are the following:

• organizational structure;
• organizational culture;
• organizational communication;
• management of the organization;
• efficiency and effectiveness of the organization, reflected in its performance.

Regarding the characteristics of the organization that may be associated with organizational learning, we concluded that the learning organization dimensions and descriptions are:

• organizational structure:
  - appropriate (flexible). In this context, learning is directly dependent on how knowledge is managed and how the work is organized;
  - the formal structure facilitates learning, adaptation and change, encouraging learning beyond the formal structure;

• organizational culture:
  - appreciates value and rewards progress by not focusing only on the results;
  - promotes personal development, innovation, sees training as an investment and rewards learning;
  - appreciates learning (both individually and on organizational level) as the key to the organizational success;

• organizational communication:
  - open organization, benefiting from inter-group communication;
  - the communication system facilitates the information transfer and reduces inert storage points of information;

• management of the organization:
  - direct and specific involvement of leaders into: the development of learning, building mental models of success, sharing the vision and systemic global thinking, team learning;
  - solving problems systematically;
  - experiment and learn, both from their own experience and that of others;
  - ability to transfer knowledge;

• organizational performance:
  - efficiency and effectiveness of the organization;
  - economic stability;
  - resource implications;
  - dynamic evolution.

In summary, we appreciate that, as shown in the thesis, to the six fundamental managerial skills related to an effective leader correspond, inside the knowledge-based organization, eight basic dimensions of its capabilities.

While performing the doctoral research we examined the hypothesis that the realization of a formative program is inextricably linked to the development of skills that promote organizational learning and the functioning of a learning organization.

The research showed that the construction of an individual skills development program capable of promoting organizational learning is associated (with varying degrees of intensity), for each program participant, with:

1. increased cognitive abilities;
2. increased motivation for learning;
3. increased motivation to work;
4. development of personality characteristics such as perseverance, flexibility / adaptability to the environment, autonomy, high levels of emotional intelligence etc.
5. increased self-esteem;
6. increased experience for learning.

We also formulated other four proposals for both the current legislative framework in our country and, especially, to achieve its purpose through doctoral research initiated.

A first proposal, generated by some elements found in the Classification of Occupations in Romania contents relates to the necessity to harmonize all acts of labour and social protection with European legislation.

A second proposal concerns the waiver, from a structural and organizational level, of political interference on the economy. In this context, we expressed our conviction that politics should not lead to economics, but to serve its interests, we have no opportunity to evolve as a society.

The third proposal refers to the introduction of the system of higher education based on alternation, which supposes two types of activity:

- production, service etc., held inside a legal entity (such as: SRL, SA, state institutions, NGOs, etc.) - basically, the employing units of human resources
- teaching activities (higher education) conducted in a specialized institution (called, generically, Higher Education Center through Alternation - CISA), respectively, company or even NGOs that may with state property or private. This may be formed at local and / or regional level.
From the financial point of view, the employer uses the appropriate amount of employee’s salary, as follows:
- half of the amount of the time actually worked goes to the employee as salary
- the other half of the amount is paid to CISA, the training provider
SISA major advantages are:
- formative educational process, acquires a higher pragmatism, because of its interacting with the practice in general and business in particular. As a direct primary results, SISA can provide human resources, with specific theoretical and methodological skills, abilities (which, as reality shows, are either weak or almost absent in many university graduates);
- provides human resources integration not only in practical work (business) from a "smaller" age, but also more dynamic and rapid integration of the participants to the economical reality of the environment;
- strengthening and development of the university - company cooperation, so that SISA graduates can be highly competitive. From this perspective, future graduates will no longer perceive practical reality at something unknown and fearful;
- the university - company collaboration will generate the development of all categories of human resources involved in this process (SISA);
- provides an alternative to the "classical" education system, in which the student receives no longer a scholarship, but a salary;
- faster transformation of the organizational learning theory in practice within a more dynamic organization, adaptable to the environment and generally more flexible: the learning organization.

We are convinced that the education system by alternation is able to contribute decisively and substantially to the transformation of labour costs in human resources investment. Finally, the fourth proposal presented at the end of my approach refers to the introduction of compulsory registration / membership of all organizations / companies to the Chambers of Commerce and Industry (and / or their equivalent forms) existing in Romania. In making this proposal we considered as a basis, the following:

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