



SOCIAL CAPITAL KEY TO KNOWLEDGE ECONOMY, FOR CREATING LASTING VALUES IN LEARNING ORGANIZATIONS

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ABSTRACT

Just what constitutes a 'learning organization is a matter of some debate. We explore some of the themes that have emerged in the literature and the contributions of key thinkers like Donald Schon and Peter Senge. Is it anything more than rhetoric? Can it be realized?

Many consultants and organizations have recognized the commercial significance of organizational learning – and the notion of the 'learning organization' has been a central orienting point in this. Writers have sought to identify templates, or ideal forms, 'which real organizations could attempt to emulate' (Easterby-Smith and Araujo 1999:2). In this sense the learning organization is an ideal, 'towards which organizations have to evolve in order to be able to respond to the various pressures [they face](Finger and Brand 1999: 136). It is characterized by recognition that 'individual and collective learning are key'.

Two important things result from this. First, while there has been a lot of talk about learning organizations it is very difficult to identify real-life examples. This might be because the vision is 'too ideal' or because it isn't relevant to the requirements and dynamics of organizations. Second, the focus on creating a template and upon the need to present it in a form that is commercially attractive to the consultants and writers has led to a significant under-powering of the theoretical framework for the learning organization. Here there is a distinct contrast with the study of organizational learning.

Thus we can conclude that Social Capital makes an organization more than a collection of individuals. (Social capital can be seen as consisting of 'the stock of active connections among people: the trust, mutual understanding, and shared values and behaviours that bind the members of human networks and communities and make cooperative action possible'.

KEYWORDS: *Creating Lasting Values (CLV), Knowledge Economy, Learning Organizations, Social Capital.*