Chapter IX
Learning at the Core:
Knowledge Management as an Employer
Strategy for Lifelong Learning

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ABSTRACT

The present study explores the relationship between the knowledge-enabling environment and the demand of training in 18 small private companies providing educational and consultancy services in Sweden. In this way, the chapter is an exploration of the ways Swedish knowledge-intensive companies manage their knowledge. The 18 companies have participated in a European programme for employee’s competence, financed by the European Social Fund. As part of this European financed programme, companies have evaluated their business activity and determined their training needs in order to remain competitive. The 18 companies, thus, are in a position of providing information on the demand for learning that is rarely available. Knowledge is understood, here, both as the structure and the content of the mental schemas. It is embodied in individuals; it differs from information and data; and it can be tacit or explicit. Knowledge is a dynamic entity that is in a constant dialectic process with the reality it represents. It is through this dialectic process that people learn. This conceptualization of knowledge implies that when looking at organizational processes for managing knowledge, it is important not only to look at formal organized activities for learning, but also informal learning activities that constitute the main source for tacit knowledge, as well as the conditions in place for knowledge creation, what is here called the knowledge-enabling environment. It is argued that through knowledge management, companies are indeed implementing strategies for the promotion of lifelong learning. Lifelong learning has been used in policy arenas as a guiding principle for educational policies and reforms.
**INSIDE CHAPTER**

This chapter presents a multisite case study of knowledge management in 18 Swedish companies providing educational and consultancy services. Knowledge management is understood in a broad sense, and includes more than the use of technology for sharing of information. The chapter brings some insights from educational theory into the study of intellectual capital and knowledge management in organizations, especially from the area of lifelong learning.

**INTRODUCTION**

Training and competence development is one of the principal activities to maintain and renew knowledge, and hence, competitiveness. At the political level, the European Union is making efforts to establish a European area of lifelong learning, promoting initiatives towards skills and competence development (see e.g., European Commission, 2005). Member states have placed lifelong learning at the center of their educational debates, and the concept has become integrated into the policy discourse (see e.g., CEDEFOP & EURYDICE, 2001; Field, 2000; Leader, 2003). The basic principle in lifelong learning is that knowledge, skills, and competencies should be constantly updated throughout life. The knowledge and skills acquired at one point in time are no longer sufficient for the entire working life (Lundvall, 2000; Tuijnman, 1999); workers are demanded to be autonomous lifelong learners, with higher levels of multiple skills, and flexibility.

Lifelong learning is an underlying principle that arguably has guided educational reforms in the last 20 years. Three main attributes define lifelong learning (Rubenson, 2001): (1) it refers to the whole life span (lifelong); (2) it takes into account different forms of learning (life-wide); and, (3) it places major emphasis on learning, which in turn emphasizes the importance of individual involvement in her/his own learning. As indicated in Aspin et al. (Aspin, Chapman, Hatton, Sawano 2001, p. xx-xxi) lifelong learning has an economic justification in that it is instrumental in maintaining competitiveness and innovation. In addition, the discourse on lifelong learning defends learning as an “intrinsically valuable activity.” Finally, lifelong learning is seen as a “pre-requisite for informed and effective participation in society.”

The concept of lifelong learning, thus, implies not only that learning occurs along the whole life span, but also that learning occurs in different settings and different ways. This includes formal, nonformal and informal ways of learning. Private as well as public institutions have to create opportunities for individuals to develop their competencies, both through planned training activities as well as through the design of the working conditions that promote learning while working (Hasan, 1996; Rubenson, 2003). In other words, organizations have to become learning organizations, defined as those “that encourage learning at all levels (individually and collectively) and continually transform [themselves] as a result” (European Commission, 2001, p. 33).

The importance of education and learning to increase competitiveness is not only present in policy documents (European Commission, 2000a, 2000b, 2001, 2005; OECD, 1997, 1998, 2000); management and economic literature also places a central role in learning and the creation of knowledge. Many different fields have contributed, in the last few years, to the progress of a body of knowledge in the field of management and development of competence and skills in organizations; however, communication between different approaches has not been straightforward.

The present chapter defends that these different approaches can be brought together within the framework of knowledge management (see e.g., McElroy, 2003; Stankosky, 2005a; Villalba, 2006; Wei Choo & Bontis, 2002a). Assumptions
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