

What Is Wrong With K-Everything?

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The flood of books, papers, conferences, and workshops about knowledge management, knowledge economy, knowledge workers, and knowledge society is incessant. Europe wants to become the best knowledge-based economy in the world. Millions of Euros are pumped every year in national and international research projects dedicated to k-something. This paper is in a certain way against the grain, aiming to demythologize some of the k-excitement.

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Does Anybody Know What Knowledge Is?

For the ancient Greeks, knowledge was justified true beliefs (Nonaka & Takeuchi 1995). As belief is, by definition, a human phenomenon, this perspective doubts about the possibility of storing and managing knowledge with computers (Galliers & Newell 2000). More recently, knowledge is seen as an organized combination of ideas, rules, procedures, and information (Bhatt 2001). For Liebowitz & Beckman (1998: 49) knowledge is any text, fact, example, event, rule, hypothesis, or model that increases understanding or performance in a domain or discipline. In order to make the definition more clear, many authors compare knowledge with data and information (see Liebowitz & Beckman 1998, Fotache 2005). Knowledge is broader, deeper, and richer than data and information (Davenport & Prusak, 1998: 5). The founders of information theory have associated information with the concept of uncertainty (Jumarie 1996). According to information theorists, information in a given context is obtained by a cognitive agent whenever relevant uncertainty is reduced (Klir & Harmanec 1996). Despite its importance for technical communication networks, this approach lacks the vital ingredient of information – the *meaning* (Malhotra 2001, Fotache 2005). The trouble is that some authors (Marakas (1999:264, Bhatt 2001) defines knowledge as meaning made by the mind. Exactly the way some other scholars define information (see Fotache 2005). Much effort has been dedicated to so-

called *epistemic hierarchy* or *mind value chain* (Nonaka & Takeuchi 1995, Liebowitz & Beckman 1998, Davenport & Prusak 1998, Fotache 2005). Unfortunately, in most of the cases, the analysis of each level - data, capta, information, knowledge, expertise, wisdom – has nothing to do with what businesses and practitioners need, being just an intellectual game. The difficulties related to the management of knowledge are also consequences of the large plethora of knowledge perspectives. Sorensen and Kakihara (2002) identify four major approaches: knowledge as object (objective knowledge which can be stored and processed by humans and/or computers), knowledge as interpretation (inter-subjective knowledge), knowledge as dynamic processes between subjectivity (belief) and objectivity (truth), and knowledge as web of relationships.

We would argue that despite the abundance of literature dedicated to knowledge, the fuzziness and confusion not only persists, but has been deepened. Nevertheless, this is not grave, as for many scholars (e.g. Nonaka & Takeuchi 1995, Davenport & Prusak 1998) knowledge definition is not a vital requirement for a proper management of knowledge in organizations.

Is there Organizational Knowledge?

In the last three decades, one of the most popular views of the organizations has been the knowledge centric one. A firm can be best be seen as a coordinated collection of capabilities (knowledge), bound by its own history, and limited in its effectiveness by its current cognitive and social skills (Prusak

2001). Organizational Knowledge (OK) is individually shared knowledge that individuals come to understand and interpret in a particular organizational context (Argyris & Schon 1978). Individual knowledge is ineffective for organization if not shared with other people (Bhatt 2001). For Peter Senge (1990) and his disciples, organizations, not just individuals, hold knowledge (McElroy 2000). Liebowitz & Beckman (1998:13) define KO as the next generation corporations as organizations that integrate core competencies/expertise with organizational learning, new organizational structures, compensational schemes, and innovative information technologies to create sustainable competitive advantage. Some people even equate OK with institutional memory (Nilakata et al. 2006), some with organizational learning (Thomas et al. 2001). Organizational memory literature privileges technological infrastructure, i.e. databases and data warehouses: the more IT company implements, the more information processing and storage capacity it will possess as an organization. But also a number of non-technical issues, such as organizational context, retention structure, knowledge taxonomy and ontology, and organizational learning, are essential for the memory of organization (Nilakata et al. 2006). Storing and retrieving mountains of documents in a way so that much information could be retrieved and processed do not equate neither memory nor knowledge. So we would dare to argue that OK and organizational memory do not exist, at least in the full sense of memory and knowledge. A book full of formula, theorems, and principles is (or is not) just a source (reservoir) of knowledge. Depending to who has access to that book, it could extremely valuable or just rubbish. Knowledge creation is a purely human process. It is not deterministic; it cannot be neither planned, nor controlled. Companies could create the infrastructure, the climate and the incentives so that people would be eager to create and share their knowledge – a knowledge community (Thomas et al. 2001). But how to persuade a person to be a Good Samaritan (from the knowledge point of

view)? There are people who dedicate much time and many resources in reading, computing, seeking information in order to find some results, articulate some ideas. Sometimes they have to neglect their families, friends, pleasures and health for achieving some results. Begging them to fully share their knowledge with the others without offering acknowledgement, personal and financial support could discourage them for further advancements, efforts.

Knowledge Management Inception – Re-incarnations of AI and/or BPR ?

For many people the trigger of Knowledge Management (KM) movement is the book of Nonaka and Takeuchi (1995). In fact, first who coined the term in 1990 was Karl Wiig (see Liebowitz & Beckman 1998, and also <http://www.krii.com>), a scholar in Artificial Intelligence (AI) Field.

From the four knowledge discourses identified by Sorensen and Kakihara (2002), first one – knowledge as object – has a long tradition in artificial intelligence (Malhotra 2001).

A common denominator of AI strands is the assumption that knowledge can be chopped into pieces – knowledge bases -, processed and re-constructed (by both humans and computers) following some basic rules in order to generate new pieces of knowledge (Liebowitz & Beckman 1998). Despite the glorious fallacies recorded in the last fifty years, AI has continuously reincarnated as Expert Systems, KM Systems and, more recently, as Semantic Web.

Some authors (Prusak 2001, Fotache 2005) equally suspect that KM was a good replacement for the fading BPR in the 1990s. KM has its roots in many subfields which belong or are related to Information Systems, such as: AI; business information systems, information management; decision support systems; expert systems; data mining. The main goal of KM was initially to capture, codify and distribute organizational knowledge (using computer technology) so that it can be shared by an organization's knowledge worker in the field (McElroy 2000). Many first-generation KM products were actually information products wrapped in a new

“knowledge” package (Prusak 2001, Thomas et al. 2001, Wilson 2002). Today, some scholars still blame the KM obsession with technology (McElroy 2003:3). Others, like Wilson (2002), are extremely corrosive stating that KM is an umbrella term for a variety of organizational activities, none of which being concerned with management of knowledge. In order to escape the technological perspective, an increasing number of authors prefer the term Second Generation KM. SGKM is focused on people, process, and social initiatives (McElroy 2003:4). It also embodies not only organizational learning, but also self-organization and complexity theory.

Knowledge Economy

Today it is largely assumed that the company growth (or even survival) depends on the firm capacity in creating knowledge and embodying it in its products. The main argument is that, in today turbulent economy, successful competing needs innovation in order to catch the customers. The idea of linking economic development to creation, distribution and application of knowledge is backed by the evolution of many countries which lack natural resources, but have prospered after Second World War, i.e. Japan, Korea, Singapore, etc.

According to Schuller (2006), a knowledge-based economy is characterized by:

increasing number and value of economic transactions dealing with knowledge itself; rapid qualitative changes in goods and services; incorporating of the creation and implementation of knowledge into the mission of the personnel involved. Generally, the new economy is based largely on science, technology, human capital and managerial expertise (Wyckoff & Schaaper 2006). The way economists explain the role of knowledge in economic development has been subject to controversy. Fagerberg (2006) argues that the main fallacy of many economists has been considering knowledge as a public good, e.g. something that is freely available to everyone everywhere. Quoting Paul Romer, he suggests that knowledge, in „public good” sense, is actually a byproduct of investments that

firms undertake in order to develop new products and services. Firms generally do not regard patenting as an important way to protect their knowledge, nor do they see universities and public research institutes as very important sources of information and knowledge. The most highly valued external sources are typically customers and suppliers (Fagerberg 2006).

Fagerberg (2006) underlines two main indicators which suggest the role of knowledge in development: (a) the capacity of the firms of a country to compete through creation of new technologies and (b) the capacity of the firms of a country to exploit existing knowledge, independently of where it was created.

What are the pillars of knowledge economy? One of the most acknowledged is the education. But just a good educational system is not enough. It is well known that elementary and high-school education in USA is done poorly (Wyckoff & Schaaper 2006). Nevertheless, USA is the best example of knowledge-based economy. Why? According to Wyckoff & Schaaper (2006), USA is the best in attracting the highly skilled from abroad. But this is not a complete answer, as the next question is why the highly skilled are eager to come in USA, even if there are some other countries with similar quality of life. Whereas elementary, secondary and high schools perform badly, US universities rank excellent in the world top. Acknowledging the importance of research, European Union launched ambitious programs within so-called Lisbon Agenda so that Europe would become the most competitive and dynamic knowledge-based economy region in the world (Wyckoff & Schaaper 2006). The idea of generously financing the EU research is two-edged. The number of researchers is expected to increase, and so the number of papers, articles, and books. On the other side, there is a strange feeling of research central planning which reminds of ex-communist economy disastrous central planning. Apparently, the EU officials seem to ignore the fact that „research production” is just a part of the problem, and actually the *mise-en-oeuvre* of scientific findings validates the research. In

this respect, Europe misses the entrepreneurial spirit which reigns in USA and, in a certain extent, in UK. Europe is best at producing regulations which govern the economic life, e.g. the right size of a banana, a cucumber, etc.

Conclusion

Most of the knowledge-*everything* literature is bad prose. There is no knowledge management, learning organizations, but communities and companies which creates the infrastructure for accessing the information needed, and also (and mostly) creating the proper conditions and incentives for people to create, exchange and apply their ideas/knowledge and others' ideas/ knowledge. There is no national or supranational innovation system, but only national/supranational information infrastructure. Apart for investing in infrastructure, the best thing governments can do is not taking the skin off the businesses in the name of social justice. At the moments we live, the business is the best mechanism for innovation and development. In one of my friend's words, „how can we imagine that, as the central planning completely failed in economy, it would succeed in culture and research?”

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