Today, the management of companies and organizations takes place in a new context that has different names, such as information society, knowledge society, and knowledge economy. Each one has its particularities and characteristics, but we regard them as roughly equivalent and henceforth we will only use the term knowledge economy. Dahlmann and Andersson (2000) define knowledge economy as one that encourages its organizations and people to acquire, create, disseminate and use—codified and tacit—knowledge more effectively for greater economic and social development. Moreover, according to the World Bank (Dahlmann & Andersson, 2000), the four pillars of the knowledge economy are the following: 1) An educational and skilled labor force that continuously upgrades and adapts its skills to efficiently create and use knowledge; 2) An effective innovation system of firms, research centers, universities, consultants, and other organizations that keeps up with the knowledge revolution, taps into the growing stock of global knowledge, and assimilates and adapts new knowledge to local needs; 3) An economic incentive and institutional regime that provides good economic policies and institutions, which promote the efficient creation, dissemination, and use of existing knowledge; and 4) A modern and adequate information infrastructure that facilitates the effective communication, dissemination, and processing of information and knowledge.

The book edited by Professor Sheryl Buckley and Professor Maria Jakovljevic focuses on the latest developments within the above described four pillars, but specifically targets educators, professionals, and researchers working in the field of innovation in knowledge management in various disciplines. In order to better understand its contribution, we describe in the next paragraphs the essential features of this new context, emphasizing the key role of knowledge and intellectual capital in the process of wealth creation.

The economy, the queen of social sciences, has among its many definitions the following: Economics is the study of wealth (Samuelson, 1980). In other words, it is the study of the processes of creation and distribution of wealth. Throughout history, the word economy has been accompanied by various qualifiers relating to key factors of wealth creation for each different era of human history. So in succession, we have moved from agrarian economy to industrial economy, and from industrial economy to service economy. More recently and due to the increasing development of information and telecommunication technologies and the processes of internationalization and globalization, knowledge and learning have emerged as the primary sources of wealth creation (Neef, 1998, pp. 1-12). It is for this reason that today’s economy receives the name of “knowledge economy” or the alternative denomination of “knowledge-based economy.”
This transformation in the very foundations of the economic process, or in the process of wealth creation, poses significant challenges for management and strategic management of enterprises, organizations, and institutions, and also in the management and strategic management of public entities such as cities, regions, and nations. To cope with these challenges in the field of management, new concepts (knowledge, intangibles and intellectual capital), new disciplines (knowledge management, intellectual capital management and organizational learning) as well as new approaches of previous disciplines have emerged. The new disciplines and approaches are closely related to each other and have some similar goals and objectives, but among them, we consider Knowledge Management (KM) and Intellectual Capital Management (ICM) as the most relevant. Indeed, if we define Intellectual Capital as “knowledge and other intellectual assets that produce value now, or are able to produce value in the future,” (Viedma, 2007) we realize that this definition relates knowledge and other intellectual assets with wealth creation, and wealth creation, as mentioned previously, has been and remains the ultimate purpose of the economy. In fact, both disciplines, KM and ICM, share the same strategic objectives and focus on creating value or wealth for companies or organizations. The difference between KM and ICM lies in the approach taken, and in the words of Karl Wigg (1997), is the following:

ICM focuses on building and governing intellectual assets from strategic and enterprise governance perspectives with some focus on tactics. KM has tactical and operational perspectives. KM is more detailed and focuses on facilitating and managing knowledge-related activities such as creation, capture, transformation, and use. Its function is to plan, implement, operate, and monitor all the knowledge-related activities and programs required for effective ICM.

Following a different line of thought, Peter Drucker (Neef, 1998, pp. 15-34) came to similar conclusions in his now famous article, “From Capitalism to Knowledge Society.” In his article, he describes and discusses the increasing importance of knowledge in the economic progress of mankind, and considers in his description and analysis an historical perspective, which focuses primarily on the last three centuries. In fact, it focuses primarily on the last three centuries because knowledge had previously been seen as applied almost exclusively to the development of the human being considered individually, that was educated mainly on philosophy, literature, and the arts, or on what later on was called “liberal education.” In the period between 1750 and 1900, the focus or object of knowledge changed radically, passing from being to doing, or from improving the human being, to improving economic activities. In this sense, Drucker raises for the last three centuries an evolutionary process that began with the industrial revolution, which continues the productivity revolution and that ends today with what he calls the “management” revolution. The era of the industrial revolution was characterized by the application of knowledge to the tools, products, and processes, the time of the productivity revolution by the application of knowledge to the study of work, and finally, the time of the “management” revolution is characterized by the application of knowledge to knowledge itself. The important role of knowledge in this evolutionary process can be summarized using the words of Drucker, which we transcribe below.

The change in the meaning of knowledge that began 250 years ago has transformed society and economy. Formal knowledge is seen as both the key personal resource and the key economic resource. Knowledge is the only meaningful resource today. The traditional “factors of production”—land (i.e. natural resources), labor, and capital—have not disappeared, but they have become secondary. They can be
obtained easily, provided there is knowledge. And knowledge in this new meaning is knowledge as a utility, knowledge as the means to obtain social and economic results.

If we focus on the last stage of the evolutionary process outlined above (stage management), we realize that knowledge is now being applied to knowledge. This is the third and perhaps the ultimate step in the transformation of knowledge. Using again the words of Peter Drucker (Neef, 1998, p. 30):

*Supplying knowledge to find out how existing knowledge can best be applied to produce results is, in effect, what we mean by management. But knowledge is now also being applied systematically and purposefully to define what new knowledge is needed, whether it is feasible and what has to be done to make knowledge effective. It is being applied, in other words, to Systematic Innovation.*

From the paragraphs and the comments just quoted, it is clear that knowledge is conceived in a utilitarian sense that is closely linked with effectiveness and efficiency and is considered the key economic factor, or almost the only economic factor, not only in the current processes but also in the processes of innovation. Even the “management” discipline is defined as a process of knowledge management.

From another point of view and focusing on key agents of wealth creation in the global knowledge economy, we can say without any doubt that firms are the primary agents of wealth creation. This crucial role of firms is highlighted by M. E. Porter (2005) in the following citation:

*It is well understood that sound fiscal and monetary policies, a trusted and efficient legal system, a stable set of democratic institutions, and progress on social conditions contribute greatly to a healthy economy. I have found that these factors are necessary for economic development, but far from sufficient. These broader conditions provide the opportunity to create wealth but do not themselves create wealth. Wealth is actually created in the microeconomic level of the economy. Wealth can only be created by firms. The capacity for wealth creation is rooted in the sophistication of the operating practices and strategies of companies, as well as in the quality of the microeconomic business environment in which a nation’s companies compete. More than 80 percent of the variation of GDP per capita across countries is accounted for by microeconomic fundamentals. Unless microeconomic capabilities improve, macroeconomic, political, legal, and social reforms will not bear full fruit.*

Nevertheless, not all firms contribute to wealth creation but only the excellent or competitive. An excellent or competitive company is the one that achieves long-term extraordinary profits due to the fact that it has a business model with sustainable competitive advantages. Modern theory of strategic management, especially the resources and capabilities paradigm (Grant, 1991; Collins & Montgomery, 1995; Prahalad & Hamel, 1990; Tecce, Pisano, & Shuen, 1997) and the customer driven paradigm (Von Hippel, 2005; Chesbrough, 2006) fully justifies the important role of intangible resources, core competencies, dynamic capabilities, and ultimately core knowledge in the process of creating and sustaining competitive advantages by firms. However, companies today are organized as a network (Quinn, 1992) and in its wealth-creating processes, they use and rely on other companies, organizations, and institutions, some of which are located in the immediate environment (city, region, cluster, etc.) with which to easily share resources and capabilities, and others located in remote environments with which it is harder to share these resources and capabilities, although the difficulty decreases with the progress of new information and telecommunication technologies. When we say resources, we refer mainly to
intangible resources and especially tacit knowledge, which are those that are at the root of sustainable competitive advantages.

Therefore, we can say that the firm, and especially the innovative firm, as the main wealth creator agent, needs in the process of wealth creation, the cooperative efforts of other companies (suppliers, customers, etc.), organizations (universities, science parks, technology parks, venture capitalist, incubators, etc.), and institutions (research centers, etc.), which grouped geographically (city, region, cluster, etc.) constitute its essential complement.

In all these enterprises, organizations, and institutions, the role of knowledge that creates value remains central in gaining and sustaining competitive advantages. All these considerations lead us to the simultaneous and coordinated management of knowledge and intellectual capital in firms, organizations, and institutions considered individually or grouped in clusters of cities, regions, or nations, with the ultimate aim of achieving economic and social development.

The book, edited by Professor Sheryl Buckley and Professor Maria Jakovljevic, has succeeded in its aim to provide relevant academic work, being the latest research findings as well as examples of best practices found in organizations concerning innovation in knowledge management with respect to teaching and learning in academia and the business environment. The book’s content addresses the crucial issue of knowledge management innovations for interdisciplinary education from different perspectives and in different environments. Therefore, its contribution is highly significant for value creation in the knowledge economy context.

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