Preface

The Issues

Over the past decade the term knowledge management (KM) has been one of the buzz phrases, yet it is still unclear in many ways what is meant by knowledge management, and it has yet to have the exciting impact that was predicted by many. This book examines knowledge management in a practical sense, and also considers underlying theories, concepts, and principles that may be applied to knowledge management to make it more useful and workable.

Organisations have seen huge changes to their own domestic economies and to world trade. E-commerce is now a commonly used term. Services have become major in most western economies, whilst manufacturing has declined. The increase in services has put the value of knowledge at a premium. Firms could choose to let that value be treated in an ad hoc fashion or manage the asset 'knowledge' in a way that would lever the best value from it and treat it as a prime resource.

However, KM does not provide a magic remedy for a firm's ills. It requires some thought and a view of the firm as a system. Within that system are other systems, and within those there are other systems still. Each of these systems interacts with the others to produce the firm's good or services. These interactions require communication, and if communication is not managed, it may not be effective and valuable knowledge may be left unshared.

To compete effectively in the twenty-first century, organisations must generate, store, retrieve, retain, and use knowledge. As organizations interact with their environments, they obtain information, turn it into knowledge, and take

action based on it in combination with their experiences, values, and internal rules. In western economies, organisations have experienced enormous change in recent times. The greater the change, the greater the importance of communication, and the greater the importance of knowledge.

Knowledge management is critically important in regard to organisational adaptation, survival, and competence, especially when the environment is changing at a rapid pace. KM works at the interface of people, processes, and technology, and it is about the creative capacity of human beings, the exchange of ideas, and much more. Any design of a knowledge management framework or system should ensure that adaptation and innovation of business performance take place in line with the changing dynamics of the business environment.

For many reasons knowledge management has become closely associated with technology. Yet discussion, focus groups, interviews, meetings, and workshops do not require a computer. It would be difficult to deny these as means to create and exchange knowledge. Technology may play an enabling part in these activities and in the storage and retrieval of information, but not to the extent suggested by much of the KM literature.

There is a danger that knowledge management is being perceived as being so entwined with technology that its critical aspects and success factors will be lost. Vendors have relabelled document management software, databases, and so forth as knowledge management solutions, and this gives rise to the myth that KM is IT. It is not. Information systems are about providing the right information to the right person at the right time, but knowledge management goes far beyond that.

In the last two decades of the twentieth century, a resource-based theory of the firm became more widely accepted as an alternative to the traditional product-based or competitive advantage view. This resource-based view is linked to strategy and knowledge-based services. The term strategy is usually associated with long-term perspectives about an organisation and its environment. The resource-based approach tends to place more emphasis on the organisation's capabilities or core competencies than do the competitive-based and product-based approaches. Thus KM is strongly linked to the concept of a learning organisation, which again links to communication and change.

A knowledge-based strategy formulation should start with intangible resources, which are the people. Physical products and assets result from human actions, and depend on people for their continued existence. Organisations work on informal structures and dynamic relationships created by people. People can use their abilities to create value by creating and transferring knowledge externally or internally to their organisation.

Organisation of the Book

This book is organised into seven chapters. A brief discussion of each chapter follows. Chapter 1 considers the rise of knowledge management and the main issues surrounding it. The nature of knowledge management is identified, different classifications are discussed, and the reasons why it has come to the fore in recent years are outlined.

Chapter 2 considers KM in more detail. It looks at some basic starting points, then considers the rise of knowledge management. A deeper discussion of what is meant by knowledge management is then held, following which some major concepts are outlined. These are knowledge sharing and communication, knowledge management and learning organisations, and intellectual capital. The conclusions draw together the major ideas from the chapter.

Chapter 3 looks at sociotechnical systems and knowledge management. The chapter includes discussions of knowledge, understanding, and decision-making; knowledge and sociotechnology; a history of the sociotechnical movement; a sociotechnical view of communities of practice and teams; a sociotechnical case—the Abbey National; a charitable case; knowledge management and sociotechnical thinking; knowledge and sociotechnical systems; and a Xerox case study.

Chapter 4 discusses systems thinking and knowledge management. It considers organisations and their management, systems thinking, the philosophy and theory of social systems, social theory, a critical systems framework for knowledge management, and it provides a discussion and critique and suggestions for a future for knowledge management.

Chapter 5 provides a comprehensive review of knowledge management frameworks. A generic review grid for knowledge management frameworks is developed, and this is used to assess forty different published KM frameworks. Chapter 6 outlines a new a framework for knowledge management that is based on the principles discussed in the preceding chapters. Chapter 7 concludes the book.