Sociofact Theory:
The Social Dimension of Knowledge

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ABSTRACT

The current study concentrates on units of organizational knowledge that the authors call sociofacts following a terminology introduced by J. Huxley. The analysis looks at the constituents of sociofacts as well as their lifecycle, starting from the concept of knowledge asset. It is based on insights from various established theories such as Activity Theory, Nonaka’s SECI model, Boundary Objects and Transactive Memory Theory. The authors investigate how the form of sociofacts changes during the Knowledge Maturing process and point at their business relevance. The goal of the paper is to improve the understanding of the structure of organizational knowledge and the process of knowledge maturing.

Keywords: Knowledge Management, Knowledge Asset, Knowledge Maturing, Organizational Knowledge, Sociofact Theory

INTRODUCTION

Organizational Knowledge is a crucial factor for the performance of enterprises and therefore has been a central topic in research for many years (Tsoukas & Vladimirou, 2001; Zack, McKeen, & Singh, 2009). We possess descriptions of organizational knowledge such as the following: “In a weak sense, knowledge is organizational simply by its being generated, developed and transmitted by individuals within organizations. That is obvious but unrevealing. In a strong sense, however, knowledge becomes organizational when, as well as drawing distinctions in the course of their work by taking into account the contextuality of their actions, individuals draw and act upon a corpus of generalizations in the form of generic rules produced by the organization.” (Tsoukas & Vladimirou, 2001, p. 979). The formulation already indicates that it is more than personal knowledge in an organizational setting but it does not provide a clear idea what actually makes up organizational knowledge.

There are various open issues, as, for example, the questions what are the units of organizational knowledge, how are organizational and personal knowledge related, and what are the tacit and explicit components of organizational knowledge. The claim that organizational knowledge is more than the mere sum of individual knowledge often remains implicit. However, it is far from trivial to describe in which sense organizational knowledge goes...
beyond the gathering of individual knowledge. Some scholars such as Vygotsky argue that knowledge is fundamentally social, mediated by tools that are tangible (e.g., documents and machines) or intangible (e.g., skills and models), and bound to action (Vygotsky, 1978).

Our starting point of the investigation of these questions is the identification of units of social knowledge, taking up the idea of knowledge assets (Teece, 1998; Nonaka, Toyama, & Konno, 2000; Mentzas, 2004). However, the term knowledge asset is generally used in a broader sense encompassing a variety of different types of knowledge-related entities so that we have to extract those aspects that are fundamentally social.

A central feature of organizational knowledge is its dynamic nature that comes to the fore in social interaction. This is one of the reasons why units of organizational knowledge are rather hard to grasp. This dynamic also drives Knowledge Maturing, the process of organizational knowledge evolution (Schmidt, 2005; Maier & Schmidt, 2007). Although Knowledge Maturing begins with individual learning in an organizational context, it goes on in systematic social elaboration of knowledge that becomes manifest in artifacts as essential elements of communication (Schmidt, 2005). From Symbolic Interactionism (Blumer, 1969) we can learn that such communication is characterized by the use of abstractions and symbols in language. Going beyond Symbolic Interactionism we have taken up Huxley’s differentiation of sociofacts, mentifacts (here called cognifacts), and artifacts as constituents of social knowledge (Huxley, 1955). Social knowledge goes beyond organizational knowledge when we find it outside organizations. Huxley’s distinction already presumes that we cannot reduce social knowledge to the sum of individual knowledge suggesting units of social knowledge called sociofacts. Using the tripartite schema we can start to analyze the relationship between individual and social knowledge in its mental as well as material manifestation.

We claim that sociofacts are the central knowledge assets of an organization, the development of which drives Knowledge Maturing. Personal knowledge and artifacts are deeply involved in this process: Social knowledge (sociofacts) is always rooted in personal knowledge (cognifact) and persists by means of (persistent or transient) mediating artifacts. We will later explain this in more detail. In order to better explain the sociofact concept let us give some examples that indicate the economical relevance of sociofacts:

**Example 1: Customer Rating and Reviews.**

Customer ratings and reviews in online shops are manifestations of sociofacts. Imagine a webpage where you can buy various goods. Most online shops allow their customers to rate and review their offers. In such ratings and reviews customers express their personal views of the product. These contributions are representations of the customers’ product knowledge (cognifact). If new customers read the existing ratings they do not only get information about the individual views but they can also learn that there is a certain consensus about some product feature while they find opposing views for other features; some features are only mentioned by a few customers at all, some by almost all of them. None of the existing views might provide the information a new customer might expect but the totality of opinions yields it. She learns what other customers know about the product and adjusts it with her own information needs. Finally, she develops (and perhaps communicates) her own experience with the product that does not necessarily accord with the view of any other customer. The aggregated knowledge, which consists of consistent views as well as opposing views, is what we call a sociofact.

**Example 2: Content in Social Media.**

Content in social media such as wikis does not only consist in the mere artifact that represents a collection of personal knowledge but also indicates the formation of social knowledge. In this process different contributors use their personal knowledge (cognifact) to improve a wiki article and interact with
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