Chapter 29

Information Management and the Competitive Advantages: The “Ervas Lusas” Cooperative Case Study

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ABSTRACT

This chapter reflects the result of the analysis of the importance of information management in organizational innovation and the generation of competitive advantages in a cooperative of aromatic and medicinal plants production. Information is the main resource of management. It is important to assume that information becomes useful only after it has been analyzed, treated, and shared. It is then that it will be available to be disseminated and shared within the organization. Cooperatives in Portugal are a form of organization through which the cooperators seek economic and commercial benefits through the resources, information, and knowledge sharing. The analysis seeks to show how the information management is carried out in this institution, in view of its relevance to competitiveness in the sector where it is inserted, seeking to support the creation of instruments that facilitate its treatment by the management and the respective availability to the various stakeholders.

THEORETICAL FRAMEWORK

Information and Knowledge as Organizational Resource

Information has always been an important asset in the development of society and the economy. Although the concept has gained more prominence in the now-designated information society, multiple meanings and contexts for information have emerged which have also been following human evolution itself and its needs.

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There are several definitions of information, but we can say that information is the main resource of management. It is important to assume that information becomes useful only after it has been analyzed, treated and shared. It is then that it will be available to be disseminated and shared within the organization. In other words, the information integrates a set of aggregated data in a logical and meaningful way and, because it must have utility for someone, it must be managed. We can also affirm that it is the raw material for the generation of knowledge or as a process of construction of meanings (Sousa, 2000; Rascão, 2012).

Knowledge, on the other hand, is a more complex concept that results from a structuring and internalization of information that, based on experiences, meanings and social interactions, provides the capacity to evaluate and incorporate new experiences and new information.

For Teixeira (2005), knowledge management is the interpretation of data and information, that is, the information applied to the action. Knowledge applies theory to real situations, it is the aptitude to do. It translates into our ability to produce results, briefly, information for action (Tiwana, 2000). It is a decisive critical process that crosses the entire business hierarchy, vertically and horizontally, making accessible the available knowledge and the stimulation of its continuous updating within the organization (Sousa, 2000).

Both, information and knowledge, are thus two essential resources for decision-making. The work of Adam Smith, in 1776, “The Wealth of Nations,” revolutionized human thought at the time, advocating the reconciliation between personal benefit and the generation of a benefit for society through the realization of a common good. This has given rise to the dimension of sharing, transmission and synergies (Silva, 2003).

This notion of Society of transmission, diffusion and sharing of knowledge was the main foundation of two lines of thought to develop over two centuries, taking into account the socio-economic mutations of societies that would later fill a new economic era in which information and Knowledge would become the main source of wealth (Cabrita, 2009). As Peter Drucker (2012, p.309) pointed out, the following society is going to be a knowledge society. Knowledge will be the key asset and workers will be the dominant group.

The three main characteristics of this new type of society described by Drucker are:

- **Lack of Frontiers:** Knowledge moves more easily even than money;
- **Upward Mobility:** Available to all through formal education;
- **Potential for Both Success and Failure:** Anyone can acquire the knowledge they need, but not everyone can win.

The evolutionary process of knowledge is thus based on three economic ages, based on different sources of wealth. We started from the Agricultural Era to the Industrial Age and culminated in the Knowledge-Based Economic Era, completely changing the organization of work. The concept of creating wealth before elaborated through the allocation of physical factors is, nowadays, based on knowledge, how we created it and what are the objectives of its implementation (Cabrita, 2009).

Information, as an economic asset, constitutes an organizational resource with potential for changing organizational competitiveness. According to Zorrinho (1995), information is all that reduces uncertainty, constituting an instrument of knowledge and action on the surrounding world. And, it is in this context, that we can affirm that the current economic and social framework constitutes a permanent global unit of information processing. The production of information, knowledge and its transmission have been