

Chapter 5

The Construction of Knowledge Management: The Foundation of Organizational Learning Based on Learning Organization

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ABSTRACT

A number of authors have stressed that competitive advantage through knowledge management is realized through identifying the valuable representation, organization, acquisition, creation, usage, and evolution of knowledge in its many forms that the organization knows or could know now: skills and experience of people, archives, documents, relations with clients, suppliers, and other persons and materials often contained in electronic databases. In so doing, this chapter covers the various types of knowledge, the Learning Organization (LO), and Organizational Learning (OL). This chapter also covers the history and meaning of knowledge (management), LO, and OL in terms of how all three elements are interrelated. Emphasis is placed on the relationship between LO and OL. With that said, the chapter explains why the role of knowledge transfer and human resources management is a top down approach and not a bottom up approach.

INTRODUCTION

The social sciences assign fundamental importance to learning. For example, cognitive psychologists and educators investigate how human beings acquire, organize and store information, ideas and knowledge. Anthropologists and sociologists examine how cultural values, norms and group identities are transmitted across collectives and generations. Economists and the business com-

munity, on the other hand, study the development of new technologies and how firms survive and become more effective over time (Benkard, 1999; Dodgson, 1993; Reiter, 1996).

In so doing, this chapter will cover the various types of knowledge, the learning organization (LO), and organizational learning (OL). This chapter will also cover the history and meaning of knowledge (management), LO, and OL in terms of how all three elements are interrelated. Emphasis

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will be placed on the relationship between LO and OL. With that said the chapter will explain why the roles of knowledge transfer and human resources management is a top down approach and not a bottom up approach.

KNOWLEDGE MANAGEMENT

The continuous rapid evolution of information and communication technology in the past decade, and more so in recent years, has seen knowledge management become a key tool for the success of a variety of institutions. Many international organizations have developed knowledge management programs as key to their future development strategies. The number of international organizations that have identified knowledge as one of their core management tools or formed a new knowledge management department is growing every day. The paramount concern over knowledge is due to the fact that knowledge is a remarkable substance.

Knowledge management (KM), also known as knowledge sharing (KS) (McInerney, 2002) and personal knowledge management (PKM) (Miller, 2005), was relatively unknown just a few years ago, but it is fast becoming one of the most widely publicized business initiatives. Knowledge management concepts and methods are enjoying the same enthusiastic reception that was given to business process reengineering in the 1990s, to office automation in the early 1980s, and to distributed computing in the early 1970s (Anonymous, 2000). Knowledge management has been defined by many researchers (i.e., Anonymous, 2000; Daft, 2001; Duffy, 2000; Jones, 2004; Miller, 2005). Knowledge management is also known as organizational knowledge, for knowledge management is to theorists, as organizational knowledge is to practitioners (Anonymous, 2000; Duffy, 2000; Prusak, 2001; Yake, 2000).

With that said, unlike other resources, the value of knowledge increases instead of decreases when used (Shapiro & Varian, 1999). As a result, knowl-

edge management faces a significant challenge: the more knowledge is used, the more valuable it becomes for the people and the organizations involved (Adler, 2001). Although a large body of literature exists on knowledge management (KM) in general (Wiig, 1995), and suggestions have been made to link KM to business strategy and business performance (Davenport & Prusak, 2000; Stewart, 1998), so far not much specific theory has been formed about the role that the human element of the knowledge worker plays within knowledge management. To address this gap in KM, a historical perspective of KM is in order, specifically on knowing and reasons for knowing in knowledge.

HISTORY OF KNOWLEDGE MANAGEMENT

A historical perspective of today's KM indicates that this is an old quest. Knowledge, including knowing and reasons for knowing, were documented by Western philosophers for millennia, and with little doubt, long before that. Eastern philosophers have an equally long documented tradition of emphasizing knowledge and understanding for conducting spiritual and secular life. Much of these efforts were directed to obtain theoretical and abstract understandings of what knowledge is about¹.

As such, the history of KM could be debatably derived from two roots, philosophical and practical. Intellectually, broad, present-day KM has many origins. One comes from abstract philosophical thinking. Another comes from concrete concerns for requirements of expertise in the workplace. Others come from perspectives of educators and business leaders. From the philosophical root, recent perspectives come from efforts to explain economic driving forces in the *knowledge era* and the 20th Century efforts to increase effectiveness. Some of the intellectual roots include (Cleveland, 1985; Senge, 1990; Simon, 1976; Wiig, 1993):

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