

# Chapter 21

## The Creation of a Context to Knowledge Management and Innovation

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### ABSTRACT

*In spite of a contemporary discussion about the management of knowledge and the deep use of technologies focused on architecture, organization and knowledge detection based on organization inner data analysis, as well as public data available on the internet, it is necessary a critic look above the organization knowledge creation processes even as the load of tacit knowledge there is in an organization. It is observed that the evolution of technologies, such as mobile computing, the web, besides the architecture of the computers and their ability of handling and storage data, has brought to the information economy or the age of knowledge, diverting focus on people, the central axis of organizational knowledge, and their ability to reason, infer, make decisions, and above them all the processes of knowledge creation focused on the collaborative solution of problems and generation of innovation based on the socialization of knowledge.*

### INTRODUCTION

As management models evolve around the world, competition among companies becomes increasingly tougher. It was no different after the rupture with the industrial era, its rigid models of management and organization of the companies, and, at the same time, with the opening of the information era or, also called, the knowledge era. This new landmark of world economy brings with it tools and ways to manage organizations in their various sizes, directed to a process that refers substantially to the consumption and intense use of information and knowledge. It is about a moment where competition among organizations is due to its ability to collect data and information, as well as, process and use them in the knowledge creation process, transfer and apply on the development of process, products, services, and modification of those. This brings to organizations a new challenge based on their capacity of process the high volume

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of information generated internally, as well as information and data obtained from external sources. It is not less important to the analysis and use by organizations, to be used on the decision-making process, problem solving, in the obtaining advantages over its competitors, enabling innovation in several organizational instances and making companies more competitive in the market in which they operate. McGee and Prusak (1994) affirm that, in the Era of Information, competitiveness among organizations is based fundamentally in how efficient they can be by acquire, organize, analyze and make use of information and knowledge. Sveiby (1998) reiterates that the efficient managing and the intense use of intellectual capital of an organization will be, in the Era of Information, the only source of a sustainable competitive advantage for the organizations.

Due to the high volume of information generated at that time of the economy, a potentialized move accelerated by the development of digital technologies, such as: software, hardware, mobile computing and web, has raised a new paradigm faced by modern organizations which is presented by the following question: How to make this volume of information to be used by the organization as a form of differentiation and development of innovative actions? The search for the response to this question leads many organizations to believe that the key to knowledge management and organizational innovation is in the massive use of information technologies and their digital processing, a discussion assisted by Castells (2000), who addresses the fact that the society is in the middle of a revolution of technological nature that happens with the focus on the application of information in search of new knowledge, new ways of processing and communication of information in a continuous cycle of interaction. Nonaka & Takeuchi (1995) also profess a new knowledge creating process that goes through a cyclical process of interaction between knowledge and information on their variable dimensions.

*A new economy emerged on a global scale in the last two decades. I call it informational and global to identify their fundamental and differentiated characteristics as well as emphasis their connection. It is informational because the productivity and competitiveness of units and agents in this economy (whether they are businesses, regions or nations) depend basically o their capacity of efficiently process and apply information based on knowledges. It is global because the main productive activities the consumption and circulation as well as their components (capital, labor, raw material, administration, information, technology and markets) are organized in a global scale directly or upon a web of connections of economic agents. (Castells, 2000, p. 87)*

Although there is a modern discussion about the new economical paradigm and also the organizational knowledge thinking about knowledge in this context as an intangible asset and inherent to cognitive and human processes, it is noted an elevated level of the use of digital technologies focused on architecture, organization and discover of knowledge. These technologies are based on internal data analyses as well as public data available on the internet to look at the generating a new knowledge process. This is an issue that has already been discussed by Davenport and Cronin (2000), who present Knowledge Management in three different domains, shapes or prisms which analyzes the term, demonstrating that this is an area that could be seen purely as librarianship in order to deal specifically with the processes of information retrieval, taking into account only the explicit character of knowledge expressed through physical documents, caring strictly about its organization in order to recover them efficiently. A second view

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