Chapter 7.1
Knowledge Creation

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INTRODUCTION

Knowledge management (KM) is a newly emerging approach aimed at addressing today's business challenges to increase efficiency and efficacy of core business processes, while simultaneously incorporating continuous innovation. The need for knowledge management is based on a paradigm shift in the business environment where knowledge is now considered to be central to organizational performance and integral to the attainment of a sustainable competitive advantage (Davenport & Grover, 2001; Drucker, 1993). Knowledge creation is not only a key first step in most knowledge management initiatives, but also has far reaching implications on consequent steps in the KM process, thus making knowledge creation an important focus area within knowledge management. Currently, different theories exist for explaining knowledge creation. These tend to approach the area of knowledge creation from either a people perspective—including Nonaka's Knowledge Spiral, as well as Spender's and Blackler's respective frameworks—or from a technology perspective—namely, the KDD process and data mining.

The following discusses each of these major theories on knowledge creation and suggests the benefits of taking a holistic approach to knowledge creation—namely, incorporating both the people and technology perspectives in all knowledge creation endeavors, and thereby facilitating the realization of a broader knowledge base, better knowledge inputs to impact on the consequent KM steps, and hence an increased likelihood in more successful knowledge management initiatives.

BACKGROUND

Knowledge Management

Knowledge management offers organizations many strategies, techniques, and tools to apply to their existing business processes so that they are able to grow and effectively utilize their knowledge assets. In essence then, knowledge management not only involves the production of

Figure 1. The KM Triad

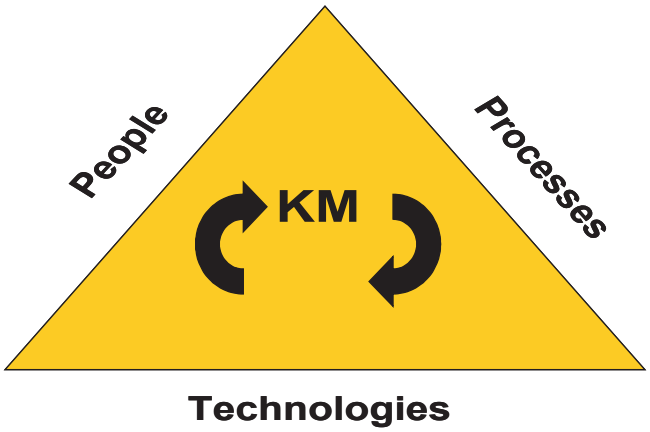

Figure 2. The KM Diamond