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Distinguishing fact from fact



A fact is a fact, they say. Or is it? Learning to differentiate between data, information and knowledge, says this author, is key to understanding Knowledge Management, which spurs organizations to achieve competitive advantage.

“Knowledge is justified true belief,” said Plato centuries ago. Two millennia after the Greek philosopher gave knowledge its definition, Knowledge Management (KM) has emerged as a strategic tool in business. The KM field has received much attention from academics and corporate sectors in the last 30 or so years¹ but despite the fact that a vast amount of research has been conducted in this field, there is still no universal agreement as to a common definition. A comprehensive definition for KM within the business environment has been presented by researchers Elias M. Awad and Hassan M. Ghaziri, as “a systematic, organized, explicit and deliberate ongoing process of creating, disseminating, applying, renewing and updating the knowledge for achieving organizational objectives.”²

If on the executive level there is misconception regarding Knowledge Management, unfortunately it is highly probable that this misrepresentation is cascaded down the corporate ladder

To date there is still wide misconception about the difference between Knowledge Management (KM) and Information Management (IM) to a point that the two terms are sometimes used interchangeably. A survey of 40 companies in the United States, Europe and Japan showed that many executives think that KM “begins and ends with sophisticated IT systems.”³ Though one of the most common ways to describe knowledge is to actually distinguish it from data and information.⁴ If on the executive level there is misconception regarding Knowledge Management, unfortunately it is highly probable that this misrepresentation is cascaded down the corporate ladder.

In a general sense, Data Management (DM) and Information Management (IM) lack the “human aspect” prominent in Knowledge Management. While DM and IM are definitely crucial constituents of the modern business environment, their main role is to handle data, information and Explicit Knowledge (easy to copy, codified knowledge stored in a database/found in documents), whereas Knowledge Management deals with Tacit Knowledge i.e. hard to copy, non-codified, often personal/experience-based knowledge.

Regardless of the universal mindset limiting the importance of Knowledge Management in sophisticated IT systems storing knowledge, organizations willing to acquire competitive advantage should undoubtedly seek disseminating knowledge horizontally and vertically through all possible channels. These, of course, include sophisticated IT systems—on which employees may post lessons learned from projects they participated in, for example—as well as other channels such as social networks, internal chatting platforms, conferences and most importantly, interpersonal communication.

These channels proliferate and prosper in an organization incorporating Knowledge Management in its organizational culture. This includes taking ownership of the concept and promoting it on all levels of the corporate ladder. It is the duty of higher management to spur employees, convincing them to remove boundaries between what they think should only belong to them due to personal reasons or confidentiality paranoia and to offer their knowledge unconditionally.

Knowledge is classified in terms of public versus private, component versus architectural, hard versus soft, explicit versus tacit and other. But most commonly knowledge is divided into two, Explicit and Tacit.

Tacit Knowledge is the form of knowledge we are mostly interested in. It is context-dependent and personal in nature. It is combined with experiences, interpretations and reflections and can therefore be regarded as a high-value form of information that is

ready to be applied to decisions and actions. Tacit Knowledge resides not only in the documents, organizational routines, processes, practices and norms of an organization but also in its collaborative memory/learning as well as in the memories/learnings of an organization’s human resources. For an organization to take effective ownership of Knowledge Management, it should foster a culture characterized by trust, openness, teamwork, collaboration, risk-taking, tolerance for mistakes, autonomy, common language, courage, and time for learning.⁵

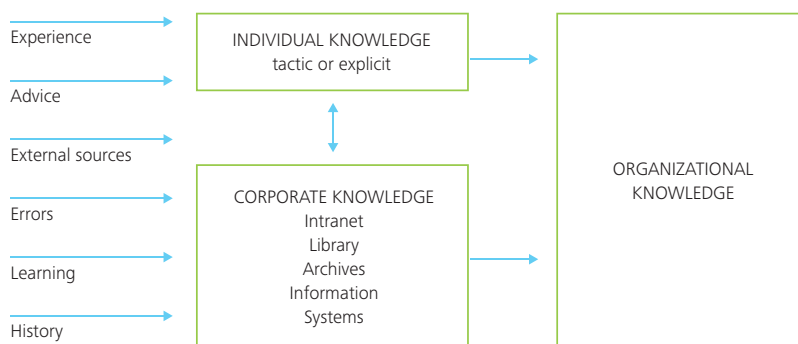
Ultimately, Knowledge Management efforts focus on organizational objectives such as improved performance, competitive advantage, innovation, the sharing of lessons learned, reduction of waste, integration and continuous improvement of an organization.⁶ Reaching these sought objectives and securing intellectual capital through knowledge management necessitates building on widely agreed upon pillars/success factors. Three main success factors are:

- Eliminate barriers to sharing knowledge: these barriers can be different from one organization to another and may vary from confidentiality paranoia, lack of dedicated resources, short-term thinking, poor knowledge-sharing vehicles or knowledge tools not always aligned with communication trends (social networks, mobile apps, webcasts.)
- The human aspects of knowledge sharing: though supported by a technological platform, knowledge management is not only a technological tool. It is also about effectively managing people assets and needs to be balanced evenly between people and learning organizations, process and technology, collaboration and exchange.
- Define a clear roadmap and long-term strategic plan: first start to understand the current level of maturity of the company in the space of KM and what the concept means for your company. Like in any project, it is important to define an efficient approach and strategic plan. KM is an evolutionary process and must be defined within your terms. It is crucial to continually make the business case and have a strong and continuous sponsorship from top management to achieve sought results.

Tacit Knowledge vs. Explicit Knowledge

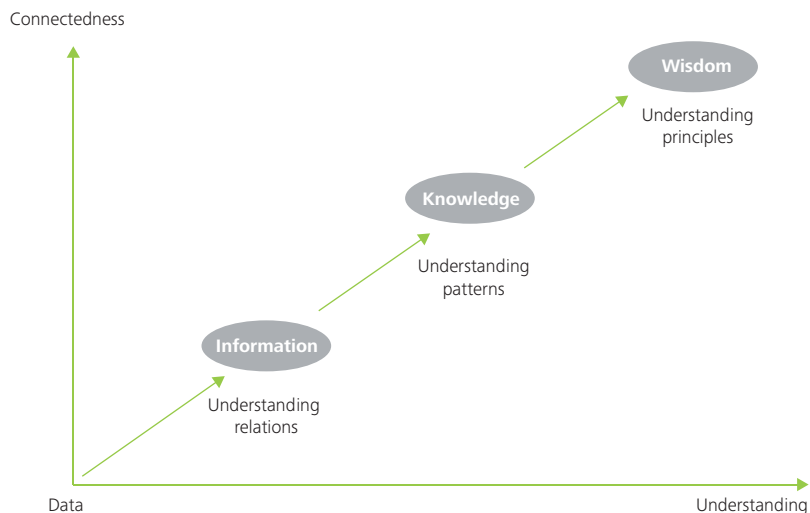
Tacit Knowledge	Explicit Knowledge
Drawn from experience and is the most powerful form of knowledge	Can become obsolete quickly
Difficult to articulate formally	Formal articulation possible, and can be processed and stored by automated means, or other media
Difficult to communicate and share	Easily communicated and shared
Includes privately held insights, feelings, culture and values	Formally articulated and shared
Hard to copy	Can be copied and imitated easily
Shared only when individuals are willing to engage in social interaction	Can be transmitted

Sources of organizational knowledge (Debowski, 2013)



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Transitions between different understandings



Source: Bellinger et al., 2004

As can be seen in the diagram, organizational knowledge is a combination of individual knowledge and corporate knowledge. While knowledge-sharing is definitely a valuable practice in any organization, even one in which the human resources come from similar backgrounds, it attains higher valuable magnitudes when fostered in multinational organizations housing human resources that are diverse in many ways.

Knowledge Management is seen at the center of global economic transformation, it addresses policies, strategies, and techniques aimed at "supporting an organization's competitiveness by optimizing the conditions needed for efficiency improvement, innovation, and collaboration among employees."⁷ KM represents a shift from "info-war" between organizations to "k-warfare" (knowledge warfare).⁸ Increasingly, it is seen as outstripping traditional resources such as land, labor and financial capital and is considered the key source of comparative or competitive advantage. For some, knowledge is "economic ideas" or "intellectual capital" and is brought up in terms of "stockpiles," "reservoirs," "exchange," "capture" and "utilization," without questioning whether it can actually be managed or understanding its epistemology—knowing it exists and understanding its context and, hence, its importance.

If you're convinced that Knowledge Management should be the next strategic tool that should be implemented in your organization, here are some tips that you should stick to:

Do

- Lead from the top.
- Make sure to cut across boundaries.
- Spread awareness regarding KM through seminars, presentations, conversations.
- Think of KM initiative in terms of being part of an ongoing knowledge management activity, not as a 'project' that is done and finished.

Don't

- Go against the organization's culture.
- Expect people to change overnight.
- Limit the knowledge-sharing mechanisms solely to IT channels.

KM represents a shift from a focus on information to a focus on the individuals that create and own that knowledge. Inarguably, an organization with an effective Information Management system in use has competitive advantage over one with no IM system or poor IM system installed. But an organization that values and fosters KM and clears itself from misconceptions surrounding it, is far more capable of attaining competitive advantage than any other. Simply put: Knowledge Management helps a learning community to learn more easily and effectively. It involves the collection, sharing and application of collective experiences and therefore it can only be applied in an organization willing to substitute the old saying 'knowledge is power' with 'knowledge-sharing is power.' This assertion is further validated by the significant drop in single-authored publications.

by **Ziad Zakaria**, Director, Consulting, Deloitte Middle East

Definition of data, information and knowledge by leading researchers in the KM field

Authors	Data	Information	Knowledge
Wiig (1993)	–	Facts organized to describe a situation or condition	Truth and beliefs, perspectives and concepts, judgments and expectations, methodologies and know-how
Nonaka (1994)	–	A flow of meaningful messages	Commitments and beliefs created from these messages
Choo et al. (2002)	Facts and messages	Data vested with meaning	Justified, true belief
Quigley (2005)	Text that does not answer questions to a particular problem	Text that answers the questions who, when, what or where	Text that answers the questions why and how
Davenport (2008)	Simple observations	Data with relevance and purpose	Valuable information from the human mind
Debowski (2013)	Unorganized, unprocessed facts	Aggregation of data	An understanding of information based on its perceived relevance to a problem area

Endnotes

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