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Knowledge Creation – Presumption Versus Actual Practice

Anson K.K. Au
The University of Hong Kong
E-Mail: auanson@gmail.com

Ivy Chan
HKCC, The Hong Kong Polytechnic University
E-Mail: ivy.chan.wong@polyu.edu.hk

ABSTRACT

As more managers realize that knowledge within their organizations is an imperative asset to leverage their organizational core competencies and competitive advantages, effective knowledge management (KM), in particular—knowledge creation—becomes a crucial practice for their business success. Given the multi-disciplinary nature of knowledge, many organizations find that their KM initiative diffusion is slow, and with diverse contemplation of what KM is and how KM could and/or should be incorporated in their business processes. To address the problem, this study adopted the focus group method to drill into various perceptions from business managers to reveal the gap between the commonly presumed and the actual knowledge creation practices. The overall objective is that, through better understanding the qualitative ideas of KM, more effective strategies for KM development, adoption, and implementation can be devised.

Keywords: Knowledge Management, Knowledge Creation

INTRODUCTION

Forward-thinking organizations have realized the value of knowledge as a strategic asset and the promise of effective knowledge management (KM), with the premise of acquisition, storage, dissemination, and sharing of such assets to sustain their long-term competitiveness against their rivals (Alavi and Leidner, 2001; Garud and Kumaraswamy, 2005). In particular, knowledge creation is considered as the most essential driver for organizations to utilize their existing knowledge in new applications and acquire novel ideas for innovation and continuous learning.

However, many knowledge managers have wondered why their knowledge creation initiative had not delivered the results it promised, even though they had religiously followed the concepts, guidelines, and frameworks that were advocated in other knowledge-driven organizations (Galliers and Newell, 2003; Law and Lee-Partridge, 2001). To reconcile the gap between the promising presumption and the actual practices, this study is motivated to examine deeper qualitative insights and concerns from the business executives who engage actively in various knowledge management projects and creation processes. The distinctive practices between the congruent and incongruent performers are highlighted from which effective KM practices are suggested.

THE KNOWLEDGE CONVERSION MODEL

In a changing environment, it is perceived that organization has to infuse its knowledge into business processes, innovative designs and value added services in order to sustain its competitiveness (Abou-Zeid, 2002; Choi and Lee, 2003; Nonaka et al., 1996; Kakabadse et al., 2003). The KM model (Figure 1) advocates the dynamic and continual growth of knowledge through four interrelated conversion modes: socialization, externalization, combination and internalization. It has been widely adopted in various studies to explain how management can promote knowledge creation and be deployed across different entities (e.g. individual employees, groups) (Becerra-Fernandez and Sabherwal, 2001; Massey and Montoya-Weiss, 2006).

In essence, knowledge is created through four interrelated conversion modes: socialization, externalization, combination, and internalization. The processes are reiterated and expanded (exemplified as a spiral in Figure 1) in which organizations continue to learn, develop, and improve. Socialization is the process of sharing and exchanging tacit knowledge (e.g. ideas and experience) among individuals. Knowledge can be created through the sharing that takes place within an apprenticeship, as well as

through the observation and imitation among themselves. Externalization involves the process of articulating tacit knowledge into explicit concepts. Individuals create knowledge through inducing or deducing thoughts from dialogues, metaphors, or analogies. Combination concentrates on the process of systematizing different bodies of explicit knowledge (e.g. manuals or databases). Knowledge can be created through reconfiguring the knowledge repository through sorting, adding, filtering, or combining new knowledge among various sources. Internalization represents the process of embodying explicit knowledge into tacit knowledge through learning actions. Individuals create new knowledge by experimenting with the acquired knowledge, which triggers new insights and capabilities for future problem solving.

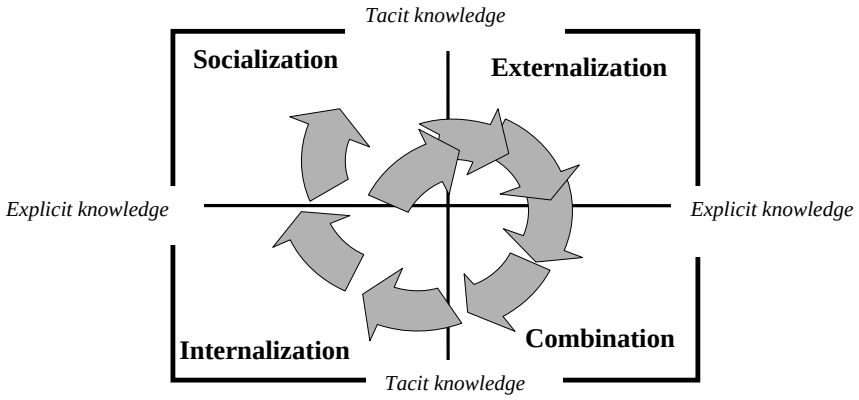

Figure 1 Knowledge Creation
(Source: Nonaka and Takeuchi 1995)

METHODOLOGY

This study adopted the focus group method (Morgan, 1988) to solicit in-depth perceptions from business executives in order to reveal the gap between the presumed organizational objective and the adopted individual practice of knowledge creation. In essence, focus group is a back-and-forth discussion that brings together a small group of individuals/ participants to discuss particular topics on a two-hour time span. Usually, each group is composed of eight to ten participants whom are facilitated by a moderator to entail a set of guiding issues. This method is widely applied in marketing research for new product development and consumers' feedback. It is also recognized as an effective qualitative approach for exploratory research to generate spontaneous comments and to

enhance theory development (Greenbaum, 2000; Krueger, 1998).

FINDINGS

The focus group study enlisted 48 business executives working at organizations embarked with KM initiatives. These business executives were considered as experienced KM personnel, as their work covers planning and headship of KM processes (63.5%). On average, the participants had work experience of 10.9 years and had been using their KM systems in their organizations for 4.3 years. A prudent consideration was made to maintain diversity within the group for an effective group dynamic and broad-based idea generations throughout the discussion. The profile and demographic data of participants are summarized in Table 1.

Table 1 Profile of the Focus Group Participants

Profiles	Number of participants	% of participants
Gender		
Female	28	58
Male	20	42
Age group		
25-29	13	27
30-34	20	41.5
35-39	9	19
40-44	6	12.5
Business sector		
Banking, insurance & real estate	8	17
Information technology & telecommunication	11	23
Manufacturing	11	23
Transport & logistics	4	8
Retail & personal services	14	29

Throughout the discussion, the business executives exchanged their opinions and generated a wide spectrum of responses based on their personal experiences and views regarding knowledge creation practices. Some business executives were enthusiastic towards organizational knowledge creation endeavors (congruent performer) – such as when there is an alignment between what is presumed and what is practiced, thus leading

to effective knowledge creation and as such improving productivity, product design, or collaboration. Yet, some business executives recalled contrary knowledge creation endeavors (incongruent performer) – where they did not share their KM visions as those stated in organizations, thus their organizations may suffer from their resistance to share knowledge, stagnant learning and low morale among employees. The respective endeavors of the four knowledge conversion modes are detailed as follows:

1. Socialization

It is presumed that personal knowledge exists in fragmentary manners and is embedded in cognitions or in the physical abilities of individual employees. Knowledge creation is triggered in social gatherings or informal occasions in which mental thoughts or bodily skills are shared, interpreted, and exchanged informally.

Congruent performer practice

- **Identify knowledge through socialization:**

A Senior Programmer in a software development company commented, "Knowledge is liquid and intangible. It can be created anywhere at anytime with any parties. It is realized that people are endowed with fertile knowledge. If organizations can provide appropriate stimulus, people can map their ideas from unexpected incidents or from doing something else that we know and observe other's knowledge."

- **Network stakeholders for knowledge discovery:**

A Business Development Manager in an airline company claimed, "Knowledge can be obtained from many different sources. Listening to customers' feedbacks and opinions can help identifying new business opportunities. There can be a lot of new findings when people wander around their workplace and observe staff's practices. It can help recognizing their bodily skills and expertise."

Incongruent performer practice

- **Resist engaging in socialization:**

A Systems Analyst commented, "Social gatherings are over valued. They are time wasting exercises overwhelmed by speeches, discussions, and feedback sheets. We do

not gain much by socialization. Sometimes we do find that others are not willing to contribute during socialization. They think they have to be very cautious and selective in what they say and exchange. They only exchange when someone approaches them. Internet fact finding is even more fruitful."

- **Discouraged by the use of socialization:**

A Senior Consultant asserted, "The informal process is based upon mutual trust and implicit understanding among people. However, senior management may question the value in engaging conversation and personal interaction/communication. Sometimes, employees are unwilling to practice as they do not want their supervisors perceive they are slacking off. It's difficult or even impossible to classify what people discuss is useful or valuable to the organization or not."

2. Externalization

It is presumed that employees are expected to organize and structure their tacit knowledge. Extensive creation of knowledge can be accomplished through dialogues, narration of experiences, analogies of concepts and opinions, and illustrations that enable other employees to act upon.

Congruent performer practice

- **Document knowledge for further applications:**

A garment manufacturing company executive explained, "In each business project, there are a lot of valuable ideas and attempts dealing with customers. It is a difficult process for people to explicate or explain what they know, but it is worth doing as the abstract ideas are pinned down in documents, records, and work logs that can be referred and shared for future decision makings and problem solvings."

- **Make use of IT advancement:**

The advancement of information systems has provided a lot of advantages to organizations. A Programmer related externalization with his current practice, "There are no more bulky files and folders. Computers and other information communication technologies play important roles in knowledge creation. It improves speed, accuracy and coverage of knowledge captured. More importantly, it connects the people who share

knowledge to a resourceful repository."

Incongruent performer practice

- **Uphold hidden personal interests for externalization:**

Another Programmer recalled his mentorship program, "If people articulate what they know and share them to others, it would then be an unwise and highly risky behavior as others can take up their competence easily. In addition, there are a lot of gatekeepers in organizations, as those mentors or masterminds would only tell others the superficial knowledge. Explication and expression in an overt way is rare and almost impossible."

- **Skew the focus of externalization:**

A bank executive said, "Some employees are impressed by the advancement of information technology. They engage in formalizing a series of knowledge codification strategy and step-by-step storage procedures. However, they are too rigid, not user-friendly, and distant from our daily work. They may have overlooked the soft skills and unspoken experiences that can be leveraged through human interaction."

3. Combination

It is presumed that knowledge depicted in concrete and written forms is systemized and organized. Individual employees identify various bodies and locations of knowledge, thereafter assessing the relevance and applicability of knowledge through selecting, filtering, adding, and reconfiguring their knowledge repositories.

Congruent performer practice

- **Learning through combination:**

A Business Consultant who had experience in an internal KM program emphasized, "…there is a gap between what one already knows and what one needs to know. Combining various sources of knowledge allows you to learn faster. It helps people opening their minds to receive, process, and integrate new knowledge. This is critical in order to maintain their competitiveness."

- **Revitalize knowledge repositories:**

A Systems Analyst Supervisor concurred with the Business Consultant, "When people integrate knowledge from their colleagues or feedbacks from their supervisors, they have an opportunity to see through their own mistakes, weaknesses, and inefficiencies. Knowledge is like the inventory in a warehouse. The combination of knowledge is a process of revitalization: salvaging old stock, putting in new goods, polishing and refreshing what they already have in mind. Sometimes they can get new ideas or innovative designs from a new pool of knowledge."

Incongruent performer practice

- **Leave combination in free vein:**

A business executive commented, "It is dangerous and may cause us to go off track as they have no prudent plan and sound commitment to lead them further in knowledge creation. Sometimes, managers aim to integrate lots of ideas in order to produce perfect work, however, they may be at a loss and end up wasting time trying to reconcile various interpretations of ideas on one subject matter. Worse still, they intend to focus on a few pieces of information, and only end up reinventing the old wheels."

- **Stick to old practices:**

An airline Sales and Marketing Director claimed, "Sometimes experienced staff has a strong passion for their old days and past successes. They are willing to mentor new employees but they are relatively conservative and unwilling to accept others' ideas despite the fact that it may work well in their company. Given their strong influence in the organization, it is hard to push new things onto them, and even more difficult to change their minds to new ideas that are foreign to their believes."

4. Internalization

It is presumed that knowledge is conversed from explicit to tacit mode through learning-by-doing. The acquired/combined knowledge functions as the imperative input for the next cycle of knowledge creation; this requires ingraining and enriching personal repositories through actions, practices and experimentations.

Congruent performer practice

- **Experiment with using new knowledge in daily tasks:**

A Business Consultant remarked her experience from a consulting project, "It is easy to deliver knowledge and service the customers. However, it should be noted that once people acquire the knowledge, they may not internalize it immediately as they may only memorize the explicit form of it (e.g., steps and procedures articulated in a handbook). Therefore, management support is important as employees know that they are given a chance to practice and experiment in their daily tasks. Some organizations integrate the KM program with personnel appraisal exercise to keep up with employees' progress. A clear merit system is set up to know what is done well or identify places for improvement. Thus, the internalized information can be ingrained in their minds."

- **Learning through mistakes is the way to the truth of knowledge:**

A Systems Analyst Supervisor recalled his apprenticeship, "The knowledge that most trainers teach is the basis to a long road of knowledge discovery. They have to learn through trial and error; as such they will realize the essence of knowledge. Continual exercises, tolerance to mistakes or discrepancies may be constructive for employees who are still figuring out the best way to embed the skills in their minds."

Incongruent performer practice

- **Over-rely on memory:**

A Systems Analyst said, "Employees are provided with ample, sometime excessive training courses for skills enhancement. They generally perform well during training, as they usually remember what has been taught. However, when they return to their workstation, they automatically adjust back to the old status quo: the knowledge learned is sprinkled and they find it difficult to rearticulate and locate them in their minds. Particularly when they work under time pressure, they would think and recall the old practices and fall back onto old routines."

- **Interpret and think through of knowledge:**

An executive resonated, "Most of the trainees may take the myth of knowledge management with the notion that a rich and fruitful memory gives way to innovative

ideas. However, knowledge once learned is only like a small seed in soil. It should be treated with care and attention. Otherwise, roots will not grow and the new knowledge will either diminish or eradicate easily. Most knowledge memory is volatile, but once it's understood then it becomes perceptual. It is important to actively engage in interpretation, judgment, and creativity."

MANAGEMENT ACTION STEPS

The focus group participants provided a lot of valuable insights regarding various KM behaviors in their organizations. We suggest that management diffuse and propagate the exemplary endeavors that were done by high performers as good examples to others throughout the organization. In addition, we recommend that these action steps may be of help to managements, particularly for those whose practices are incongruent to what is generally presumed and what is practiced to learn and incorporate KM into their daily work processes, therefore leading to desirable organizational performance.

Step 1: Create Knowledge with a Clear Vision

Any creation process should begin with a clear vision so that executors would not derail from the exercise causing inefficiency. Having a clear direction and objective in placed allows employees to work towards the same goal in unison. Such unanimous understanding allows management to apply flexibility during the knowledge creation process so that employees can freely maximize their individual core competence without much interference from management, knowing that interference would only hinder the quality and quantity of any creative work.

Step 2: Preset a Working Definition of "Creation"

The term creation is often understood as an act of bringing something from the realm of the imaginary into existence. Management should recognize the fact that knowledge creation may not be the formation of brand-new ideas. It could be a reconfiguration or reapplication of existing knowledge that brings business value to the organization. Such limited understanding of "creation" may mislead smaller organizations to think that knowledge creation only favors large organizations with ample personnel and financial backing. Smaller organizations may then be intimidated by this vital exercise, and may eventually be forced out of business due to the lack of competitiveness against its larger rivals.

Step 3: Knowledge Creation with Realistic Goals

Knowledge creation is not only new to management, but also to all employees. A clear vision and commitment are significant as spiritual support and guiding light in order to transform organizations into knowledge-based enterprises. In addition, the best practices in other organizations should not be taken at face value as a rigid panacea to all situations. Take into account the specific organizational factors, such as perception to changes and acceptance to technology assistance, as it is necessary to set out realistic goals in each conversion mode and determine the respective orientation or strategy.

Step 4: Identify Knowledge Sources within Organization

Organizations often spend an unnecessary amount of time spinning their wheels in the attempt of locating and identifying knowledge, both tacit and explicit, within their organizations. Such a process is often executed without solid planning and without an understanding of the exercise. Stakeholders of such projects should first possess a sound comprehension of their organizational structure as well as their talent base in order to ensure that optimal benefits are realized for their undertakings. Unnecessary detours during such a project only results in exhaustion of human and monetary investments, and the chances of failure are raised significantly.

Step 5: Start Knowledge Creation with Relevant and Familiar Tasks

Any organization that is new to the knowledge creation process should encourage its employees to start the exercise by looking into ways to improve their daily tasks. Since mostly, employees do not consider themselves as creative individuals, starting from tasks that they are familiar with can help them build up their creative skill-sets as well as their confidence to create. Creative skill-sets can be comprised of the ability of asking pertinent questions, constructing alternatives to solve problems, reinventing current systems and workflows, consolidating complex ideas into comprehensible texts, and many more.

Step 6: Link Knowledge Creation with Human Elements

The advancement of technology should not be over-emphasized as a substitute for human resources. Management should understand that creation is instigated from human minds through creativity and innovation. Therefore, it is suggested that management maintain a balanced blend of merits from human and technology driven strategies.

Furthermore, management should devote an organizational-wide KM initiative to enable all employees to participate and involve themselves in KM endeavors. Continuing with this line of thought, management should consider suitable reward and recognition systems for employees who contribute, participate and make good use of knowledge in their tasks.

Step 7: Knowledge Creation Takes Time

Management should not misconceive creation as a one-shot or temporal exercise. They should understand that knowledge is distinct from tangible assets, with the former having the ability to grow continuously through appropriate management guidance. In connection with this, a persistent and constant effort is needed to infuse a supportive culture with efficient infrastructure, knowledge repository, networked community, and communication technology so as to enable various organizational resources to be deployed accordingly.

CONCLUSION

Knowledge management has gained much attention as the strategic mean for organizational effectiveness. This study focused to explore the perceptions and broad-based ideas from business executives through focus group discussion. It is expected that the highlighted findings can us shed light on effective practices on knowledge creation activities, and more importantly can help management to devise a systematic KM strategy.

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