Chapter 28 Integrating Knowledge Management and Business Processes

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ABSTRACT

In this chapter, the different types of knowledge are outlined. then a discussion of various routes by which knowledge management has been implemented is had. A business process-based route, which enables people, processes, and technology to fit together, is growing in popularity as the best way to deliver effective knowledge management that is integrated into what the organization does. Some examples of the business processes route in use are then given. Finally, there is a look towards the future.

INTRODUCTION

Knowledge has been a subject of interest and enquiry for thousands of years, since at least the time of the ancient Greeks, and no doubt even before that. "What is knowledge" continues to be an important topic of discussion in philosophy.

More recently, interest in *managing* knowledge has grown in step with the perception that increasingly we live in a knowledge-based economy. Drucker (1969) is usually credited with being the first to popularize the knowledge-based economy concept by linking the importance of knowledge with rapid technological change. Karl Wiig coined the term knowledge management (hereafter KM) for a NATO seminar in 1986, and its popularity took off following the publication of Nonaka and Takeuchi's book *"The Knowledge Creating Company"* (Nonaka & Takeuchi, 1995). Knowledge creation is in fact just one of many activities involved in KM. Others include identifying, acquiring, sharing, retaining, refining, and using knowledge. Heisig (2009) compared 160 different KM frameworks: no fewer than 117 of them included a list of activities. Global interest in KM, both academic and practical, has continued to increase throughout the last two decades, but as these numbers indicate, consensus on the theory underpinning KM remains some way off.

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BACKGROUND

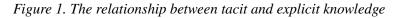
Types of Knowledge: Tacit and Explicit

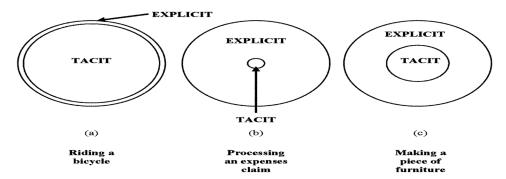
Nonaka and Takeuchi's book (1995) popularized the concepts of tacit and explicit knowledge, as well as KM more generally. They based their thinking on that of Michael Polanyi (1966), expressed most memorably in his phrase "we know more than we can tell".

It is important to realize that tacit and explicit knowledge are not mutually exclusive concepts. Rather, any piece of knowledge has both tacit and explicit elements, as shown in Figure 1. The size of the inner circle represents the proportion of tacit knowledge: the tacit core at the heart of the knowledge that we "cannot tell". Figure 1(a) shows a case where the knowledge is almost entirely tacit, as in riding a bicycle. Figure 1(b) shows mainly explicit knowledge, where the tacit core is very small, for example how to process a claim for travel expenses in an organization. Figure 1(c) shows an intermediate case, such as making a piece of furniture, where substantial amounts of both tacit and explicit knowledge are involved.

KM Strategies

Hansen, Nohria and Tierney (1999) identified that there are two fundamental KM strategies, codification and personalization. Codification concentrates more on explicit knowledge (typically relying very heavily on information technology), personalization more on tacit knowledge (stressing interactions between people). They advocate that an emphasis on one fundamental KM strategy but also including an element of the other, in an 80-20 proportion, is likely to be the most successful.





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