Chapter 10
Changing Scenario From Information Management to Knowledge Management

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ABSTRACT

Most extant knowledge management systems are constrained by their overly rational, static and a contextual view of knowledge. Effectiveness of such systems is constrained by the rapid and discontinuous change that characterizes new organizational environments. The prevailing knowledge management paradigm limits itself by its emphasis on convergence and consensus-oriented processing of information. Strategy experts have underscored that the focus of organizational knowledge management should shift from 'prediction of future' (that cannot be computed) to 'anticipation of surprise.' Such systems may be enabled by leveraging the divergent interpretations of information based upon the meaning-making capability of human beings. By underscoring the need for synergy between innovation and creativity of humans and the advanced capabilities of new information technologies, this article advances current thinking about knowledge management.

INTRODUCTION

The current conceptualization of information technology (IT) enabled knowledge management suffers from the fallibility in imposing the traditional information-processing model on the strategic needs of contemporary organizations. The

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traditional knowledge management model emphasizes convergence and compliance to achieve pre-specified organizational goals. The knowledge management systems were modeled on the same paradigm to ensure adherence to organizational routines built into information technology. Optimization-based routinization of organizational goals with the objective of realizing greater efficiencies was suitable for an era marked by a relatively stable and predictable environment.

However, this model is increasingly inadequate for an era characterized by increasing pace of discontinuous environmental change (Arthur, 1996, Nadler *et al.*, 1995). The new era requires continual reassessment of routines embedded in organizational decision-making processes to ensure that underlying assumptions are aligned with the changing environment. Hence, the primary focus is not as much on doing things right as it is on doing the right things (Drucker, 1994b). Convergence and consensus-oriented nature of traditional information systems is relevant for 'freezing' the meaning of information for achieving optimization-based efficiencies. However, 'unfreezing' of meaning embedded in information is critical for reassessing and renewing the routines embedded in organizational decision-making processes.

The proposed model of knowledge management attempts to achieve simultaneous 'freezing' and 'unfreezing' of meaning to ensure that effectiveness of decision-making (doing the right things) is not sacrificed at the altar of increased efficiencies (doing things right). It does so by proposing a balance between the optimization-based predictive capacity of information-processing systems and the divergence of meaning [of information] based on innate human sense-making capabilities.

By laying the theoretical and conceptual bases for the proposed model, this article provides the bases for organizational deployment and further refinement by practitioners and scholars. The article also provides the bases for developing measures and methodologies for understanding and deploying 'enhanced' knowledge management model in contemporary organizations.

Next section discusses the prevailing information-processing view of knowledge management and provides the background for the proposed model. Subsequent discussion on contemporary thinking about organizational strategy highlights the limitations of the predominant information-processing view of knowledge management. Thereafter, the theoretical bases of the proposed model are reviewed, the model is presented in definitional terms, and its key implementation characteristics are discussed. Finally, it is explained how the explicit emphasis of the proposed model on the creation of new knowledge builds upon the strengths of the information-processing capabilities of computer-based knowledge management systems.