

Knowledge Management: Gain a Lead Through Communication

By Christian Geiseler

"Knowledge Management: Gain A Lead Through Communication" was this year's theme at the German Union "Deutscher Kommunikationsverband BDW" convention. On April 21st, Prof. Hermann Hill invited guests from industry, science and research to meet at the Hochschule für Verwaltungswissenschaften in Speyer, Germany. The topic of discussion focused on the subject of knowledge management and the comparisons between its application in public administration and in industry. Nine speakers presented quite different views of knowledge management, including the difficulty of distinguishing between knowledge and information.

Prof. Hill presented in his opening speech "Wissensmanagement - Dynamo für Produktivität und Innovation (Knowledge Management: Dynamo for Productivity and Innovation)," important aspects and definitions of knowledge management where differences between implicit and explicit knowledge, hidden, latent and cultural knowledge became clearly defined as the approaches needed for knowledge management and establishment. His theme was reinforced by the topics presented at the conference, which included: uncovering hidden knowledge (corporate memory); activating latent knowledge (knowledge engineering); seeing the customer as knowledge component (customer integration); competing with the best and learning from the competitor (benchmarking); "early warning signs" for relevant trends; and issue management.

One major aspect of knowledge management is the ability to employ creativity for developing ways to gain knowledge. The combination of existing knowledge or thoughts will contribute to the successful utilization of knowledge as much as the assembly of so-called contrasts of dropped ideas when they appear under different points of view. Another sight for the creation of knowledge is to analyse the position of being different and not only to watch the causality in scope, but to find out what has not been done, not been said or not been demanded, and especially why not. The importance is not only to adhere to fixed principles but also to work creatively on the process of the foundations of knowledge. This theme was reiterated in several speeches and comments.

In the case of creativity a large difference between public administration and industry appeared. Advocates of public administration prefer to produce rather nothing than a mistake (under a critical view) as they do not see a reason to cross their given guidelines or curriculums. In contrast, industry demands

and requires creative efforts and allows mistakes. For example, divisions that have previously produced severe flops appear often as the divisions that stimulate the growth of a company. The valid thesis here would rather be that you may not make a mistake twice.

Dr. Friedmar Nusch of the Hoechst AG reported that Hoechst pays rewards if a project is canceled early when it does not appear to be as successful as planned. The process of creation faces the cost-benefit-analysis, although the first steps of imagination and knowledge establishment are supported by Hoechst in any case.

Prof. Hill mentioned the electronic data processing and its dramatic evolution as an enormous factor for the value of knowledge since we find easier and quicker access to even more information through multimedia, Internet and Intranet. We realize a speeding-up of acquisition of knowledge since the growing opportunity of interaction, in contrast to the rather dull way previously utilized. Also, the Internet, or the WWW as its part, offers the possibility of finding information and knowledge not in a hierarchical order but in a nonlinear order networked through links and virtually unlimited by a manifold structure. In this case the conceptual separation of data, information and knowledge appears quite clearly. Data deposited at a WWW server provides information to be obtained by everyone when it is presented in a structured and understandable way, but only by its utilization can information serve as a catalyst to knowledge.

Some of the speakers, however, handled the subject of knowledge management as newly wrapped information management. Information management is a concept that can be found in industry and science for years and its theoretical ideas are established and the efforts to designate information as a fourth economic factor in business. Yet, knowledge has a different shape by its definition, and that definition is disregarded frequently in reality.

Dr. Werner Gries of the German ministry for education, science, research and technology drew parallels between nature and technology to the subjects *information* and *knowledge*. In his speech, "Von der Information zum Wissen - Lernen von der Natur (From Information to Knowledge: Learning from Nature)," information is a measurable quantity that can be produced, transferred, stored, processed and displayed both in technology and nature. Nature makes use of the human sense organs, such as the brain, nervous system and the conscious processes of thinking and learning, whereas technology uses sensors, leads, electronic and optical memories, micro-processors, artificial networks, displays and speakers. Yet, knowledge is the conscious application of information in order to solve a problem and can only be

produced by a human being, since only human beings are characterized by consciousness. Gries presented also some interesting scientific facts: a human being consists, physically, of 62% water, 6% salt, 14% fat, 17% protein and 1% carbohydrate; or life can be described as material + genetic information + automatic reproduction. This is in contrast to "being human" spirituality, which is expressed in soul, consciousness and culture.

Betty Zucker of the Gottlieb-Duttweiler-Institut in Zürich, Switzerland, presented her speech entitled "Wissen gewinnt (Knowledge Wins)." One question she raises is how can knowledge grow to be a competitive factor in economy? During the Middle Ages people knew that knowledge increased power when "knowing" craftsmen united to guilds or the freemason's lodge. With limited access or their own jargon they kept their knowledge in their own ranks and could make use of it. Today knowledge proves to be more important upon comparison of producing industry and thinking computer business. Companies such as Microsoft, Intel or SAP in Germany, keep more stock-market capital than the former giants, such as General Motors or the airline Lufthansa, which hold much more fixed assets as people pay more for the intellectual capital. Therefore, knowledge can be seen as a productive factor for prosperity, but companies appear not so likely to do so. Zucker argues that companies educate and train their employees thoroughly, but do not let them use their knowledge, and that they employ only the brightest heads but lose them soon to the competitors, yet they know much more about their competitors than about themselves.

Most of the speakers from industry quoted the saying "If Siemens knew what Siemens knows" respectively with the fitting company name. This saying touches on the potential of hidden and latent knowledge. Too often the special knowledge acquired by employees during their career, knowledge which the companies supported with cost and time-intensive training programs, is not recognized with perhaps further reasons leading to the nonapplication of knowledge. Zucker argued her thesis with an example about a patent. A technical patent for an innovative, very thin sliding roof lie fallow for several years because the inventor's superior did not permit his financial success. After the superior's retirement, however, the sliding roof could be built and the inventor could succeed without the danger of threatening the company's hierarchy. Quite astonishing is the fact that 30% of all patents applied for do already exist, but in some desk drawers lay the patent. One of the measures to gain an advantage in competition would be to make generalists out of specialists since even an accumulation of highly intelligent people does not

promise success; look at the universities with some of the most intelligent personnel and the way their mission of education is fulfilled. Zucker presented knowledge management as a new perspective of an existing subject where people have been dealing with knowledge and its advantages for a long time, but today with new demands and the management of information we find more and more new aspects.

As a follow-up to the convention two separate pools dealt with the subject of knowledge management. One pool was formed by the representatives from industry and the other by those from public administration. For both groups, three speakers held short opening reports about the application of knowledge management in their particular surroundings.

From industry, **Wolfgang Gattermeyer** of Andersen Consulting emphasized one fact: in our times of transformation everybody keeps on talking about downsizing, reengineering or restructuring, but the important issue is the human being and the learning process. It is truly tragic if a pupil has a learning problem or disability, but if a company has a problem, it is fatal. Gattermeyer stressed that the value of knowledge or of the intellectual capital becomes valuable only through its application, and only then can a company experience growth. One problem for the process of knowledge establishment is that people are afraid of revealing their knowledge since their own knowledge advantage represents their importance in society. Furthermore, Gattermeyer suggested an organized knowledge-sharing that focuses on somebody's payment related to how often this knowledge has been used. Yet, the idea of evaluation of knowledge as an asset in the balance of a company fails because of the nonmeasurability of knowledge. Keeping facts and information for one's own may be important, but only through its application does it become knowledge.

In the next report, **Miho Birimisa** of SAP AG illustrated the importance of an organized Intranet within a company. Basis for a successful use of knowledge is with integrated information scenery. All information produced decentrally must be coordinated centrally so that knowledge can be recovered as goal-directed from a pool of information. For example, every SAP-employee, partner, customer and prospective buyer can retrieve data and information and possibly to use it for their own increase of knowledge, from the company's integrated database SAPNet.

The public sector offered a different aspect about knowledge. **Claus-Jürgen Kaminski** of the modernly orientated town administration of Wuppertal indicated that knowledge has to be cultivated as a resource. He also designated the acquisition and storing

of information as meaningless until knowledge has been developed through application and practical relevance. Since a higher coordination and promotion of knowledge in organizational hierarchies is not applicable, Kaminski asked that every tier of the administration, and obviously of the company, be aware of its own knowledge potential and development and take on responsibility for its utilization and support.

Another interesting interpretation was presented by **Rolf Johannsen** from the town administration of Ulm. He described the town administration as an enterprise with turnover, both of employees and customers. Customer orientation and innovation appear to be applicable not only to the economy, though it could not be clarified, but to how the citizen can be designated as a customer to the administration. Many people may believe that the administration only exists for the citizens, yet the customer represents himself more complex. Both the citizen who declares his bike as stolen appears as a customer and demands an investigation or a replacement of his property, whereas the thief makes complaints about the handling of the case to the same office or department within the town administration. In the economy typical rankings of performance cannot be applied in many cases; imagine a Forbes ranking of prisons with the best customer orientation.

Finally, **Angelika Lukat** from GMD (Gesellschaft für Mathematik und Datenverarbeitung) described the influence on new orientations caused by the structural change in the Rhein-Sieg-Area near Bonn. The whole area was determined by public administration until Berlin became the German capital so as most of the administrative functions move away from Bonn the discovery of new tracks is unavoidable.

Unfortunately, the planned closing speech by **Hans-Herbert Holzamer** of the Süddeutsche Zeitung, in which he wanted to investigate the subject of knowledge management as an old subject with a new name, had to be dropped for appointment reasons. Those who had already tried to define the term *knowledge* or the difference between *knowledge* and *information* could realize that these two terms were not distinguished in many cases. Perhaps the English language that offers both *know-how* and *knowledge*, two terms which are translated with the same word in German, is of assistance in facilitating an understanding of the meaning of *knowledge*. The order of precedence from pure data to information, further to know-how, knowledge and to wisdom shows the rating of knowledge. As Gries stated, to reach the term *knowledge management* seems to be relevant because data and information can be measured, so they can be managed, but knowledge is not measurable, so the

term *knowledge management* may be a contradiction in terms.

A documentary volume will be published later this year at Carl Heymanns in Cologne.

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