Extended Abstract

In recent years management and business studies have witnessed the emergence of a new field of activity, named Corporate Knowledge Management (CKM). The primary goal of this management discipline is to enhance and improve the use of knowledge as a corporate resource in organizations. Theoretical and practical initiatives in CKM, however, have met some difficulty regarding the conception of knowledge that should guide these efforts. This paper critically examines the contribution of Nonaka (1994) to this conceptual problem.

The emergence of CKM and the recognition of knowledge as an independent production factor next to labour, capital and natural resources have been prompted mainly by the information revolution, the explosive growth of the service sector and increased innovation-based competitiveness in a globalizing economy. In this context CKM is generally described as a consciously controlled and systematic effort to efficiently acquire, share, coordinate and deploy knowledge with a view to the optimization of value-added in intra- and interorganizational value chains. Some important problems regarding this effort centre around the intangibility of knowledge. Organizations especially find it difficult to keep track of the knowledge they have and to assess its quality and practical value, as the usefulness of individual knowledge units inevitably depends on the availability of other knowledge and their embeddedness in wider socio-cultural infrastructures and practices.

With Kuhn (1970, 4-5) we hold that effective professional practice builds on the adoption of a taxonomy which enables the articulation of problems, basic relations within the universe of discourse and preferred methods and standards to guide professional activity. An important difference between the approaches of philosophy and CKM to knowledge in this respect is that the responsibility of CKM cannot be restricted to knowledge that is of an incontestably scientific nature but must extend to all alleged knowledge a company accepts consciously or unconsciously as a capacity for corporate action. In terms of Poppers' three-world ontology (1972) CKM focuses not on knowledge as the objective, propositional content of thought irrespective of persons actually holding those thoughts (world 3), but on knowledge as a subjective mental state of persons having certain beliefs (world 2).

As one of the leading pioneers of CKM and to cope with the problem of continuous innovation be it technological, strategic or organizational Nonaka (1994) has proposed a "dynamic theory of organizational knowledge creation" in which he supports this subjectivist approach to knowledge. Basic to Nonaka's theory is the idea that to be innovative organizations need to actively tap and mobilize the tacit knowledge resources of their members through an elaborate process of "externalization". This process is fed by the commitment of individuals to share their experiences and confront their interpretative frameworks with one another in multi-functional "self-organizing teams", to conceptualize their ideas by use of metaphor and analogy into a model and consequently to act them out in a process of "crystallization", through which new product or organization concepts are refined and tested on their reality and
applicability by various departments of the company. Thus crystallization comprises the function of knowledge justification, which according to Nonaka is "the process of final convergence and screening, which determines the extent to which [new] knowledge . . . is truly worthwhile for the organization and society". Quality standards, Nonaka claims, generally include cost, efficiency, profit margin and the like as well as more aesthetic and 'romantic' criteria related to a company's vision of the future and its own development (Nonaka, 1994, 26). Nonaka considers the determination of these standards a highly strategic task of company leaders, ultimately enabling "a truly 'humanistic' knowledge society beyond the limitations of mere "economic rationality'" (p. 34).

Apart from the rather vehement rhetoric Nonaka uses, our criticism of his views focuses on two central issues that are directly related to his subjectivist conception of knowledge. The attraction of subjectivism and the philosophically more familiar conventionalist view of science is that they prevent us from shifting the responsibility for the truth of our knowledge entirely to the object of research. This entails, however, the relativity of knowledge to particular practices or forms of life (Wittgenstein, 1953) and the concomitant possibility of the incommensurability of interpretative frameworks or paradigms (Kuhn, 1970). The concept of incommensurability refers to the absence of impartial standards or criteria to judge the cognitive and practical merit of rivaling frameworks and the knowledge claims involved in them.

Our first point of criticism is that Nonaka completely ignores the issue of incommensurability. This is especially regrettable for two reasons. Firstly, as Kuhn (1970) has pointed out, viewed diachronically fundamental breakthroughs in science by their very nature involve incommensurable frameworks. In R&D-management this is generally recognized in the claim that innovation as opposed to improvement is revolutionary. Secondly, viewed synchronically Nonaka misses the possibility of communication breakdowns and conflict in the organization due to the clash of incommensurable paradigms. As such incommensurability is not just an interesting philosophical problem but constitutes a serious practical problem for organizations comprising a multiplicity of cultures, institutional arrangements and professional backgrounds. Organizations cannot be conceived of a priori from a unitary cultural perspective.

Related to this, our second point of criticism focuses on the problem of knowledge justification. Again we take issue with two aspects of this problem. Firstly, by introducing the justification standards already mentioned, Nonaka seems to adopt an extreme relativism on the validation of knowledge claims, which is philosophically unwarranted even from a conventionalist perspective (cf. Kuhn 1970; Habernas 1981, 1984). We cannot simply believe what we like, based on the promise of a bright (financial) future. Secondly, Nonaka overlooks the possibility of fundamental conflict between standards as part of the incommensurability of rivaling frameworks. As quality standards according to Kuhn have to be taken as values, this opens up important moral-political ramifications of the problem of incommensurability in organizations (Bernstein, 1991). Nonaka apparently "solves" these issues by authoritarian means (the "strategic task of organizational leadership") or by implicit self-censorship within the company ("commitment"), which in our view might easily stifle and repress innovation.

In conclusion we claim that Nonaka paints far too rosy a picture of CKM, that naively ignores the fundamental moral-political issues that are at stake in CKM, by which the ideological sincerity of his tribute to a "truly humanistic knowledge society" is cast into doubt. While supporting a conventionalist conception of knowledge in CKM, we claim that it is essential to conceive of it as an integral part of the management of organizational culture and that CKM has to take into account the ideological ramifications of organizational knowledge creation. If money and power are going to be the dominant control-inspired criteria of the
field, our hopes for the future of CKM do not run very high.

References