

Wisdom Management: The Last Frontier

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Abstract: "Is Knowledge Management a passing fashion or something deeper?"

Knowledge Management is essential for business competitiveness today, just as Data Management once was and, later on, Information Management. And just like these two, machines will soon learn (from us) to manage knowledge by themselves. But Knowledge is the ability to use criteria to take action, based on a repository of information (experience) which falls within the framework of a value system. At that point, machines will apply criteria, but which value system will machines manage? There is a danger that machines will "inherit" the selfish values of the neo-liberal economy and tax-collecting states. In that scenario, the danger is that the information repositories will only consider the interests of the strongest (the Organisation), ignoring those of the individual. Conflict seems inevitable. Therefore, we should be prepared for a new cycle in which knowledge is lined up with the common good. A practice which not only seeks the good of particular companies, but also goes beyond this to seek the good of the Individual, Society and the Earth.

The final frontier should be Wisdom Management, where technological systems inherit man's virtues rather than his selfishness.

Knowledge should serve to improve the world, not to control it.

Knowledge and Good should lead us to the era of Wisdom."

Keywords: Knowledge, Knowledge Management, Wisdom, Wisdom Management, AI, Artificial Intelligence

1. Introduction

Knowledge Management is, nowadays, very present in the business world. What has happened? Is it a passing fad? A trend of the moment in the marketplace? A technological drift?

This article intends to share with the reader a particular vision about Knowledge Management, grounding its practice on the certainty that Knowledge Management is not a temporary fashion, but rather responds to a logical cycle, with a past and a present, which allow us to anticipate - and alert others - about its future.

2. Knowledge and the World

The human interest on knowledge is ancestral. Centuries before the Christian Era, the philosophers of Ancient Greece were already discussing knowledge and its nature: What are we capable of finding out? What is true Knowledge? How do we acquire it or where does it come from?.

These intellectual considerations have been passed on to the present day and form part of our culture. In his popular "Myth of the Cave" Plato tells us that what we think we know is not reality, but merely the "shadow" of an authentic reality. The word "sceptical" arises from the philosophical school of "the Sceptical", those who search for the truth ("Skeptomai"=search), whose members believed in the impossibility of reaching true knowledge about anything. Similarly, the word "agnostic" ("a" -no and "gnosis" – knowledge) arises from the philosophical currents that recognised the limitations of human knowledge beyond immediate experience. Also, Socrates' famous phrase "All I know is that I know nothing", serves as the best example of the ancient thoughts concerning knowledge, an open subject, never closed.

Philosophically, “to know” is to gain access to the Truth, which is understood as the ultimate reality of things. And knowledge is the verification of that reality.

But, what is truth? It was said that truth was the “adaptation of thought to reality.” But we have had to accept that we cannot get to know the ultimate reality of things, so we have concurred by saying that the truth is an “agreement between criteria,” an agreement in which our particular truths are brought closer to build a common one which we can use as a reference.

3. Knowledge and Personhood

A human being receives stimuli from the outside world, which cross the perceptive filters of the senses and become “data”. This data crosses the conceptual filters we have developed and becomes information. The necessary context to frame our resulting behaviour is set up on the one hand by our experience and learning form a repository of information and, on the other, by a value system, which we store in our mind, where morality (the praxis according to group customs) and personal ethics reside. When we “act”, we do it in a holistic manner according to our knowledge, to the above-mentioned information, to mental diagrams and to our personal value systems. This is how we interpret the world, and that determines our decisions at every moment. Knowledge is what helps us to “decide” to take one action or another.

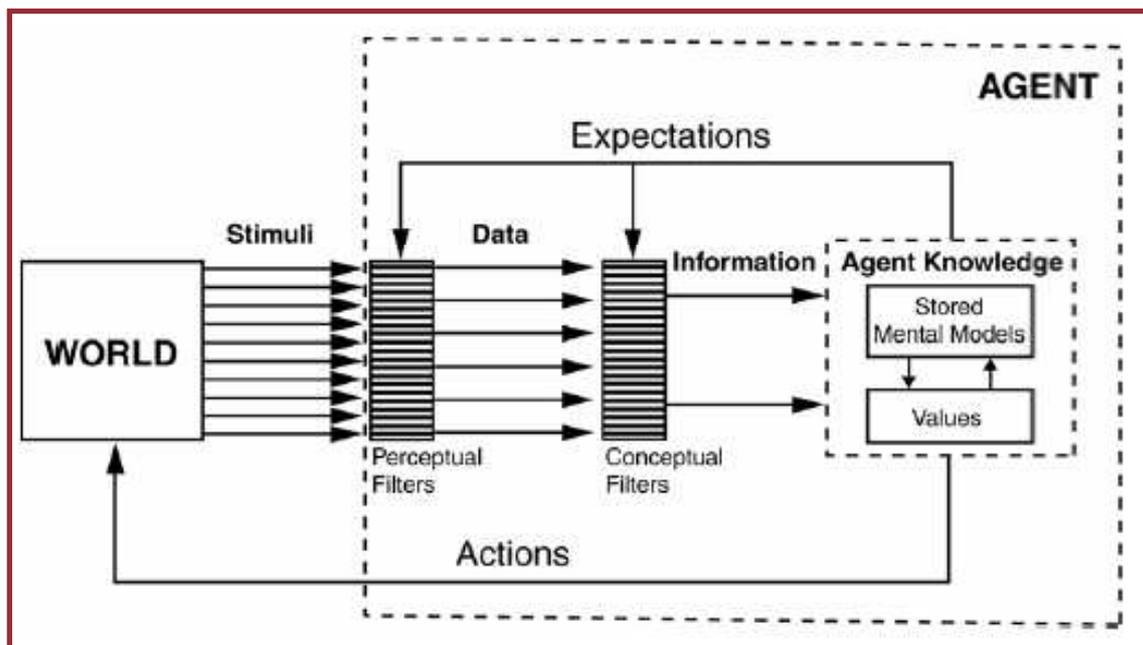


Fig.1 The Agent in the world (Source: Agustí Canals, Max Boisot)

We can consider that a Person’s Knowledge, beyond mere content, is defined as the capacity of opinion which impels us to act according to our “truth” about things.

4. Knowledge and the Symbolic World

We can acquire knowledge about the real world by “experimenting” directly in it. We are then capable of generating new knowledge by ‘thinking’ according to our past experiences and knowledge, and we are capable of transmitting the acquired knowledge by “teaching”, through contributions to a symbolic world, as when we write a book, for example. We can then acquire knowledge by “learning” from the symbolic world without having to experiment in the real world, by reading a book that explains how to plant a tree, for example. We can also transmit our knowledge by “applying” it in the real world, in other words, by placing it there as a form of evidence: an arc whose central piece, shaped like an inverted trapezium, supports it. This attests to man’s knowledge about universal laws of physics.

Therefore, a real world and an individual knowledge of it exists in each one of us and, on the other hand, we generate a symbolic world where we share our individual knowledge, so it can be helpful to others. It is important that the Symbolic World be truthful in relation to the Real World, in order for us to enjoy the advantages, or not, from that knowledge. If it is not, we will act against reality, and not in consequence with it.

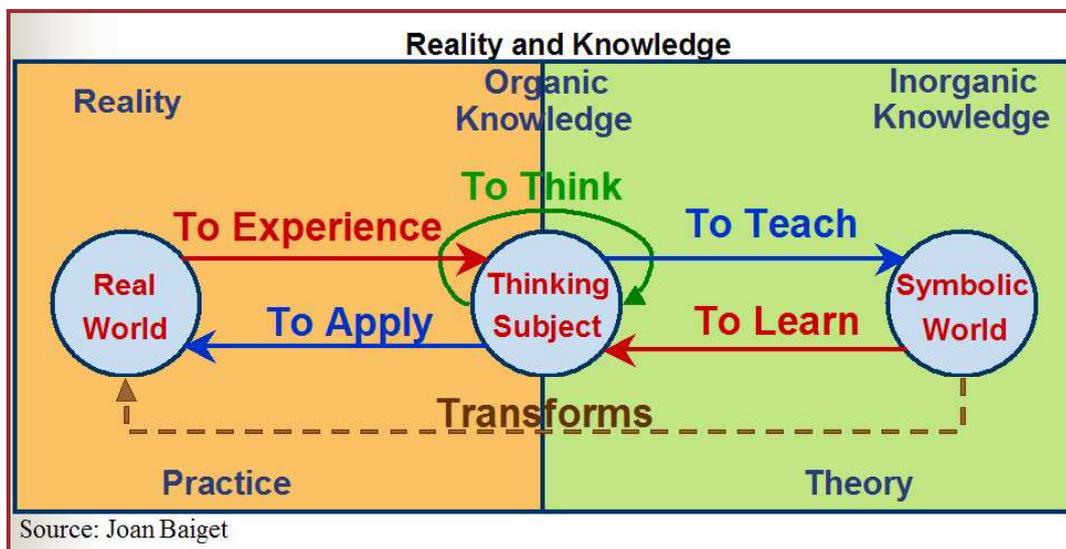


Figure 2. Reality and Knowledge (Source: Joan Baiget)

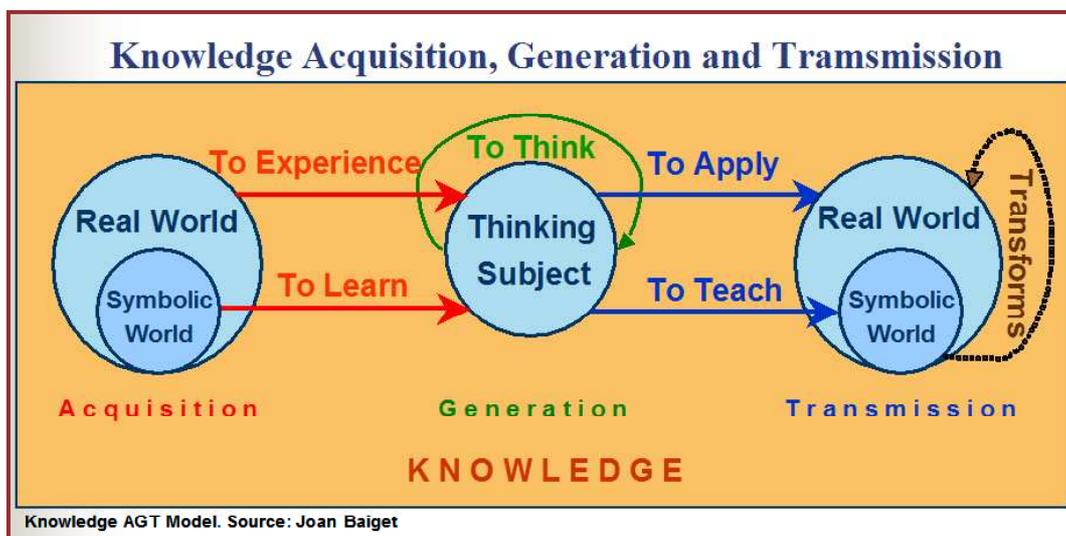


Figure 3. Knowledge AGT Model (Source: Joan Baiget)

5. Organizations and ITC (Information Technologies and Communications)

The development of organizations in modern society – among them companies – is being achieved with two defining characteristics: growth and geographic dispersion. Globalisation results in companies of a growing number of individuals (employees, partners, associates, etc.) with an increasingly extended geographic presence. There is a third factor apparent in this development: the speed with which things happen. Everything is accelerated. In a global market, with information on products and services in real time, in a world communicated physically and virtually, everything happens faster, by force of law. This set of facts has generated growing needs within companies for information, on the one hand, and communications on the other.

It is, therefore, not a surprise that nowadays we see ICT (Information and Communications Technologies) as the indispensable allies of organizations, and now we cannot imagine businesses without their presence and support.

In spite of the great dependency of companies on ICT and of the huge transformation capacity they have, their history is a very short one. ICT have recently entered into organizations and have taken on even more complex functions, and in a short time have shaped alternate stages between technology and management.

6. Stages of Informatics

Only 40 years ago, those companies which started to use a 'computer' in their management obtained considerable competitive advantages in relation to the rest. The reason for this was that they were able to process data faster than their competitors. However, this was solely about "processing data". Computers were merely big calculators. It is no surprise that the person responsible for the technological area, around the 1970s, was named "EDP (Electronic Data Processing) Manager", indicating this mechanical process of treatment of data.

After this period, the need to organize the increasing data processed by companies, the new technological advances (like the use of databases) and the generalized use of informatics by companies gave rise to a management period, which was distinguished for obtaining information — and no longer for the processing of data — the differentiating factor for competitiveness. The job title of the person responsible for the area became 'MIS' (Manager of Information Systems), pointing out the greater importance of information in relation to data. We were in the 1980s.

More or less in the 1990s, machines already managed a lot of information in a well-coordinated manner. A new technological revolution, based above all on the capacities of communication, changed the panorama again, and once more technology as such seemed as though it could deliver competitive advantages. Pioneer companies implement data lines linking their locations, using video conferencing and the Internet, etc. In a natural and logical process, the job title of the person responsible for the area changes once again, and now companies recruit an "IT (Information Technologies) Manager". The pendulum has returned the leading role to Technology within companies.

But the countless technological advances, apart from resulting in important benefits to companies, have produced a certain chaos, because technology changes too quickly and it becomes difficult to assimilate. A lot of projects fail or multiply their costs in time and money. In addition to that, the growing social complexity and the transformation of companies into a galaxy of collaborations and dependencies shape a complex structure, which strains the daily management and control of organizations. In this situation, a last hope appears: there are voices that demand, over and above technology, a Management of Knowledge.

In the 2000 decade, Knowledge Management bursts on the scene as a challenge and as a need within companies. A job title has emerged in the business scene, the CKO (Chief Knowledge Officer), who has never been responsible for computers area, like his predecessors. But the implementation of Knowledge Management policies or departments has frequently created frustration and achieved very few results after considerable efforts and investment. Even so, Knowledge Management has been placed at the forefront of business needs to be able to compete. What is happening?

7. From Data to Knowledge

If we observe this evolution in a retrospective manner, it is very easy to detect what has happened. In the first stage, we delegated Data Management to machines, and this was enough to gain competitive advantages, at least during a period of time. Subsequently, we needed to manage the information well, and we delegated the management of information to machines. Once this became generalised, Knowledge Management — in a complex and fast environment — proved that it could produce competitive advantages for companies. Also, this is being attempted in a new management cycle.

However, what happened with data and subsequently with information may occur in the near future with knowledge. After a new disruptive technological cycle — possibly with the help of Artificial Intelligence, machines will learn, or rather will be taught – how to manage Knowledge. This is the road ahead for technology, from the simple to the complex, each time taking on the most ambitious human needs.

But managing Knowledge implies using human attributes of applying criteria. When machines manage knowledge, that is to say, when they apply criteria, what will be the principal source of information? Which scale of values will they use?

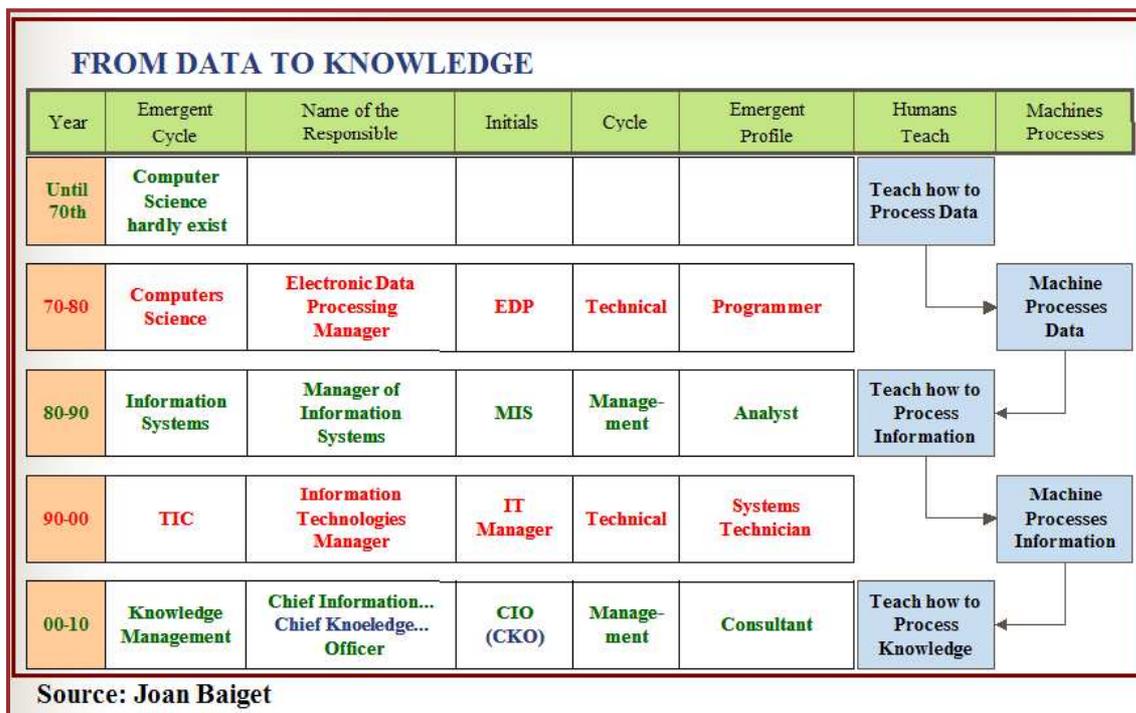


Figure 4. From Data to Knowledge in Technology. (Source: Joan Baiget)

8. Technology, Organizations and Knowledge

We are delegating our relationship with the world to technology, which allows us to surpass the limits of our own capacities. An excavator only increases man's strength. A microscope only amplifies his sight. A computer merely enlarges his immediate memory and his capability to manage and communicate.

On the other hand, we increasingly relate to others through a symbolic world, which does not stop growing with more and more digital contents (textual and numeric information, images, videos, voice records...), which are unavoidably managed by ICT. When we spend time in front of our computer, we interact with this symbolic world.

Apart from projections and perceptions (science fiction, poetry, etc.), it is of vital importance that the contents of the symbolic world show the truth about the real world they represent. If we look for the existing stock, this quantity should be in the warehouse; if we look at the price of a trip, the agent and the destination, they should all be realities; if we read a news report, it should be factual, etc. Because otherwise, we will have problems with the decisions we make regarding the real world, since the knowledge we pretend to have of this world will not be so, based on realities that do not really exist.

The individual, as a person, relates to the world, in large measure, through organizations: the company where he/she works, the local or national government, educational, banking and insurance entities, companies in a customer relationship, the traffic department, the health care units, etc. Inevitably, it is here where a diverse appreciation of the facts and particular truths arise. Is my salary fair? Have I received the service I wanted? Was the traffic fine fair? Each organization with which we have a relationship, begins to have ownership of a significant number of facts about us, and at the same time, they can have opposite interests to ours.

There are situations which we can easily see with objectivity. There should be five units of a product in a warehouse. We agree that it "rains" when water falls from the sky. But the limits of "freedom of expression" the definition of "good service" cannot be judged with such objectivity. For this, each side can have its "truth", his/her idea of what it is or what has happened in reality. And this is what seems to happen often in our relationships with organizations.

If, at first, computers were only a local work tool — and the PC ('Personal' Computer) represents this concept well — they were connected later, forming local networks (LANs, Local Area Network) and subsequently became extended networks (WANs, Wide Area Network), although maintaining their private character. Finally, the appearance of the Internet has represented the interconnectivity of the public part of multiple computers.

Therefore, in an initial First Phase, we saw machines being connected. It is, therefore, not strange that during the Second Phase they began to concentrate data. When machines — by agreement between related organizations — manage to have concentrated data or to get free access to it, they will be in Third Phase, the Application of Criteria. In other words, they will arrive at "conclusions" as a result of having gained access to a vast amount of information regarding an event, a person, a family or a company.

But, what will the criteria (leading to conclusions) be based on? Will they be based on the economic interest which moves the vast majority of organisations and governments eager to collect taxes, etc.? Will the repository of information, which will be used as a base of contents for these criteria, be biased information that these organisations would have obtained from transactions with individuals within a particular relationship, without having kept, in conflictive situations, the due respect for a personal point of view?

9. Society, Truth and Falsehood

The historic concern of man regarding knowledge and truth is not just a subject of the past. Nowadays, numerous voices are raised against the constant presence of lies within our society and the various forms in which they appear: from the most Maquiavellian type of manipulation to the simplest charlatanism. It is in the symbolic world where this battle, with no antecedents, is fought between falsehood and truth.

The symbolic world frequently shows us a real world that does not exist, as we have been able to see recently in order to justify unjustifiable wars. And this lack of conformity with the truth is what produces conflicts that only benefit a few and harm the great majority.

10. Wisdom Management: The Last Frontier

Without being aware of it, we will soon find ourselves immersed in a technological cycle in which machines will be making the decisions. But their “truth” will not have taken into account individuals, but merely the most powerful group: organisations. The symbolic world will contain records of the real world which will not be backed by one of the parts affected, that of the person. The conflict will be inevitable and will not improve companies’ performance. Because working with your back to reality and truth, even when this represents an agreement between criteria, can only bring disadvantages and no benefits.

So, we must prepare ourselves to start a new management cycle where we can enhance the value of knowledge driven towards the common good. In other words, an agreement between criteria regarding ethical and moral codes that make us act with wisdom. A praxis which does not only look out for the benefit of businesses but — beyond it — transcends in a quest to discover benefits for the individual, society and the world.

Wisdom management should be this last frontier, where technology will align itself with man and his virtue.

Knowledge should be used to improve the world and not dominate it.

Knowledge and goodness should take us to the era of wisdom.

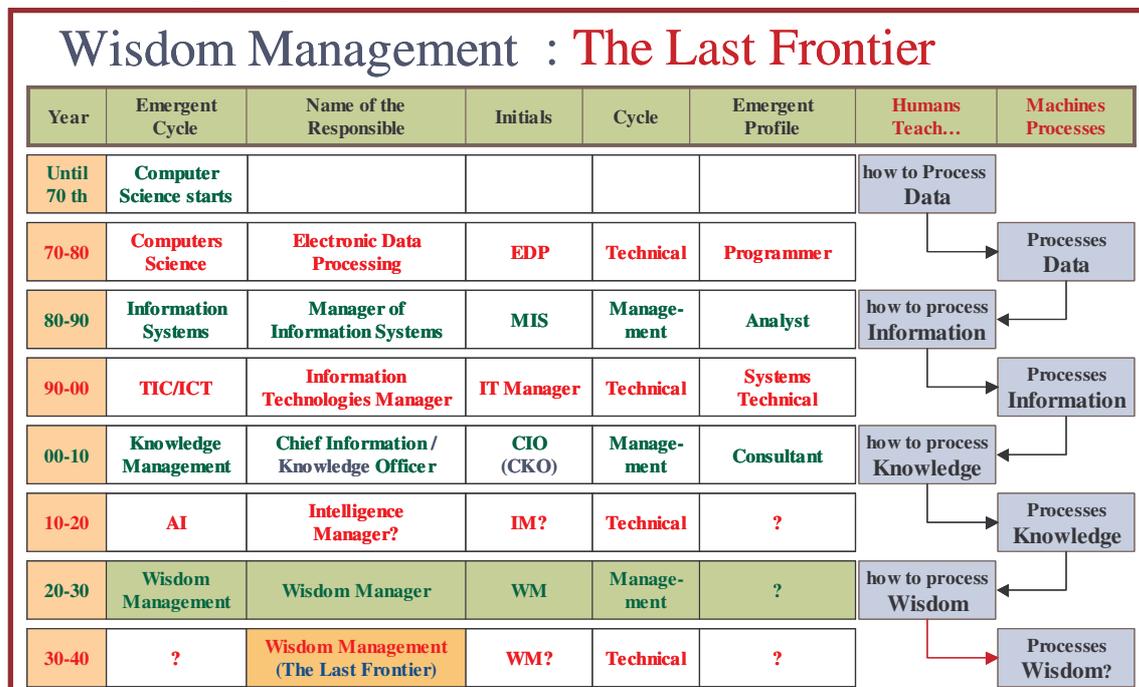


Figure 5. Wisdom Management: the last technological cycle.

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