

“Why we should not
be describing knowledge
[indiscriminately] as an asset”

SIKM Leaders Forum

16 May 2023

Patrick Lambe

Straits Knowledge

Agenda

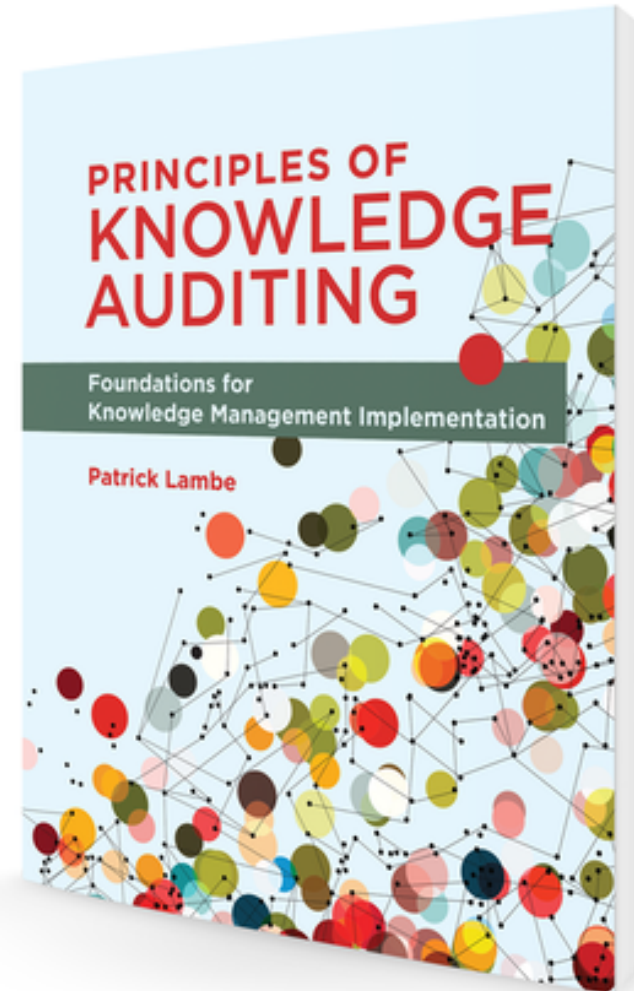
- My journey
- Metaphors, entailments, slippages, and definitions
- The SIKM discussion Dec-Jan 2023
- Using with caution
- Discussion

My Journey



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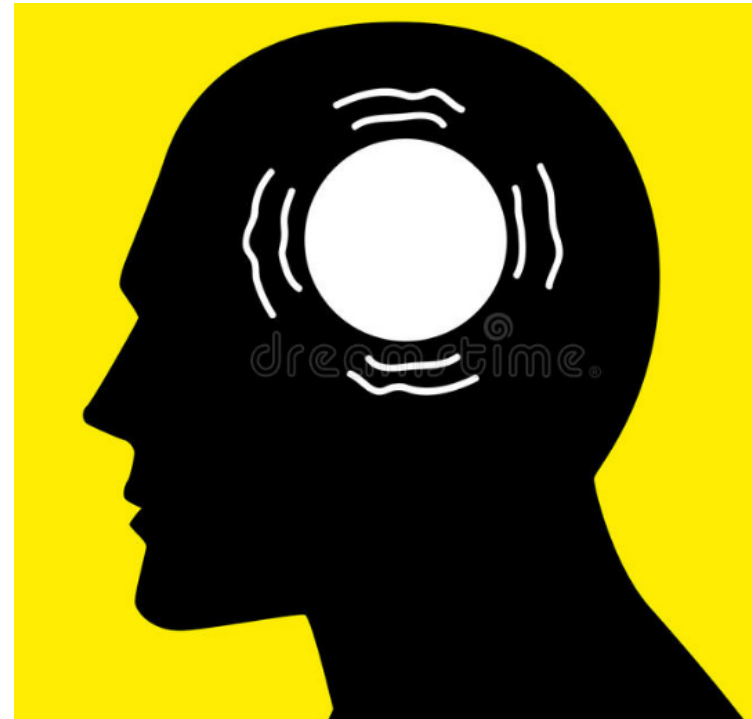


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Metaphors

Is knowledge

- a thing?
- a flow?
- an asset?
- a resource?
- a capability?
- capital?
- a process?
- an input?
- an output?
- a phenomenon of variable outcomes from an often opaque collection of processes and systems and people in interaction with each other in both predictable and unpredictable ways?



The SIKM Discussion: Defining knowledge in your organization – is it simple or hard?

- Beto do Valle: knowledge should be defined as an asset
- Arthur Shelley: knowledge is a critical asset
- Dennis Pearce: do you value knowledge as an asset?
- Patrick Lambe: only some forms of knowledge can be considered assets of the organisation
- Nick Milton: KM can give people the opportunity to contribute their tacit knowledge as part of a shared asset in a community
- Kevin Wheatly: I quite like the asset concept and its simplicity but do accept that it does hold limitations. If you look at different classifications of assets it works better
- Beto do Valle: ignoring the differences between tangible and intangible assets is a huge mistake
- Patrick Lambe: If a thing doesn't look like an asset of the organisation, doesn't behave like an asset of the organisation, cannot in fact be managed in the same way as assets, why do we want to call it an asset?
- Murray Jennex: I have worked in organizations where critical knowledge could be easily identified and could and was treated like an asset.
- Patrick Lanbe: Being able to identify and ascribe management actions to something does not make it an asset
- Dave Snowden: the use of 'asset' as language to describe anything based on human individual and capability... ended up with people thinking of 'things' not capability and all the wrong ways to measure things
- Stephen Bounds: In certain cases -- especially where it yields a sustainable competitive advantage -- it may be justifiable to treat knowledge as an asset.
- Beto do Valle: If you define knowledge as an individual asset, the organization will only manage hiring contracts.
- Peter van Nederpelt: An asset is defined as a thing of value.
- Murray Jennex: I don't really care what you call this knowledge, be it an asset or a resource or simply know how and know what.

PDI

Why prove to the CFO you have no idea what you're talking about... assets are on the balance sheet. Call it a "valuable resource".

David Eddy

Much of the debate hinges on conflating the vernacular use of "asset" as something of ongoing value versus its formal accounting use (GAAP and IFRS), which (with certain exceptions) define assets as tangible assets.

Tim Wood Powell

Nature of the problem

The “knowledge asset problem” is an example of our tendency to speak in generalities about knowledge, as if it were a homogenous thing.

EXAMPLE

1. My replacement keyboard gets an asset inventory barcode
2. Our new patent notification is not registered as an asset
3. We need an inventory of the critical knowledge of our subject matter experts

Eng and Corney Navigating the Minefield: A Practical KM Companion (2017)

Definitions, slippages and entailments

Asset (loose): something valuable

Asset (tight): owned, controlled, excludable, power of disposition,
ascertainable present value

PRESENT VALUE

Resource (loose): something valuable and useful

Resource (tight): which one?

- Commodity resource? (a consumable thing that can be bought and sold)

PRESENT VALUE

- Economic resource? (inputs needed to create products and services – human effort, natural resources, capital – implies combinative capabilities)

POTENTIAL VALUE

- Natural resource? (things we can extract from our environment to make commodity resources or economic resources)

POTENTIAL VALUE

- Public good? (a beneficial thing generated and maintained through societal intervention)

POTENTIAL VALUE

The Ownership Delusion

1. An economic system based on capitalism incentivizes organisations to externalize costs and risks, and to internalize value.
2. It is in the interests of organisations to claim ownership for knowledge so that they can exclude others from benefiting from it without payment.
3. ISO 30401: knowledge is “human or organizational asset enabling effective decisions and action in context”
4. Okay, we can use this to get organizations to take knowledge seriously. Knowledge creates value, after all.

But... Where does the knowledge within an organisation come from?

- How much of it is the product of their investment?
- How much of it can be legally protected “like an asset”?
- How much of it is embedded in the skills, experience and personal networks of its people?
- How much of it is the dynamic, emergent product of teams working together to solve problems?
- How much of it is dependent on the public good of socially generated knowledge, and our society’s knowledge infrastructure?

As soon as we use the term “asset” for knowledge in general, we enter a transactional frame where questions of ownership and control arise - this turns out to be the wrong kind of conversation to be having for effective management of knowledge in general.

“Knowledge is an important asset”

Knowledge is important to an organization

Knowledge should be managed *like any other asset*

Knowledge is a special kind of asset, an intangible asset

Yes, we capture our project knowledge assets and manage them in a repository

The knowledge in our organization is important to us and should be managed appropriately to its form

Hard to disagree.. But what does it really mean?

Well no... Only some forms of knowledge are amenable to this (ISO 55000)

Fine. But the concept of intangible assets is an accounting concept for valuation purposes. It doesn't given any guidance *on how it should be managed.*

Emm... What about the project knowledge, experience and capabilities of your people?

I can live with this, if “managed” does not mean you are implying the right to control and sell our personal knowledge

“Like any other asset”

ISO 55000 – asset management

- Assumes the asset lifecycle and its management regime can transfer to new owners
- All assets can be directly managed and controlled
- All assets can be configured, combined and deployed at will

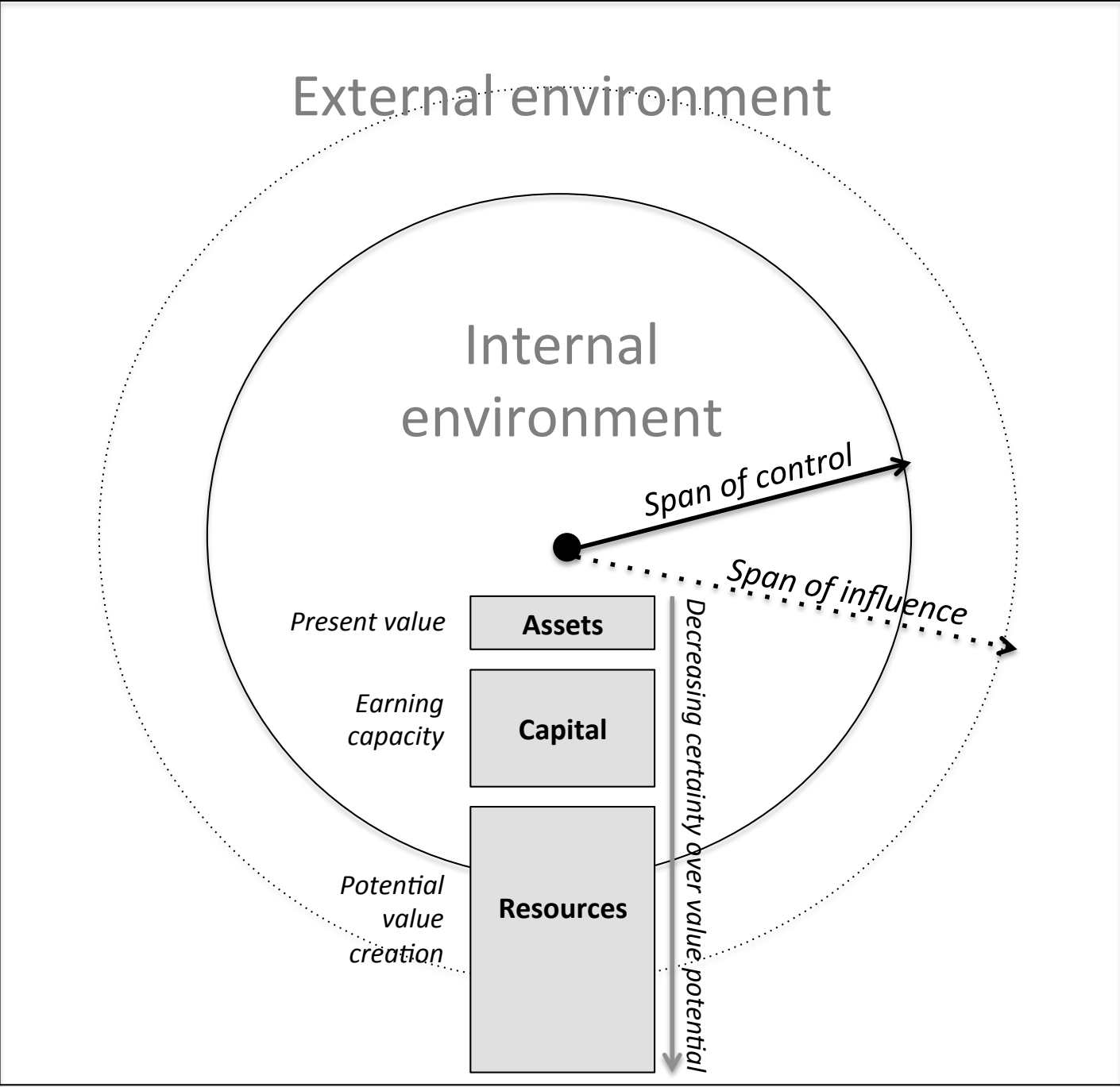
Knowledge behaves differently

- “Manage knowledge through a lifecycle” is useful, but not in the same way as physical assets
- Some knowledge can only be indirectly managed
- Extremely difficult to do this at will. Not all capabilities are fully visible or understood.

Consequences of the problem

We get into the wrong kinds of conversations about knowledge and knowledge management – knowledge becomes “disembodied” and alienated from the people who generate and work with it (Snowden 2002)

- Who owns and controls the knowledge our people bring to our company? What enforceable rights of excludability and control do we have over it? Is an employment contract a form of licensing or rent arrangement?
- Do we have such rights over all of their knowledge, beyond the job they were hired for?
- Who owns the knowledge that emerges from the interactions of people working in teams to solve problems, or the capabilities of the team?
- How much of the knowledge we have is the product of our society’s educational and professional development systems, or the previous employers of our current employees?
- Hang on, you can’t manage my expertise like you own it. If you want to monetize it, pay me.
- Okay, let’s just focus our KM on the stuff we do clearly own and control.

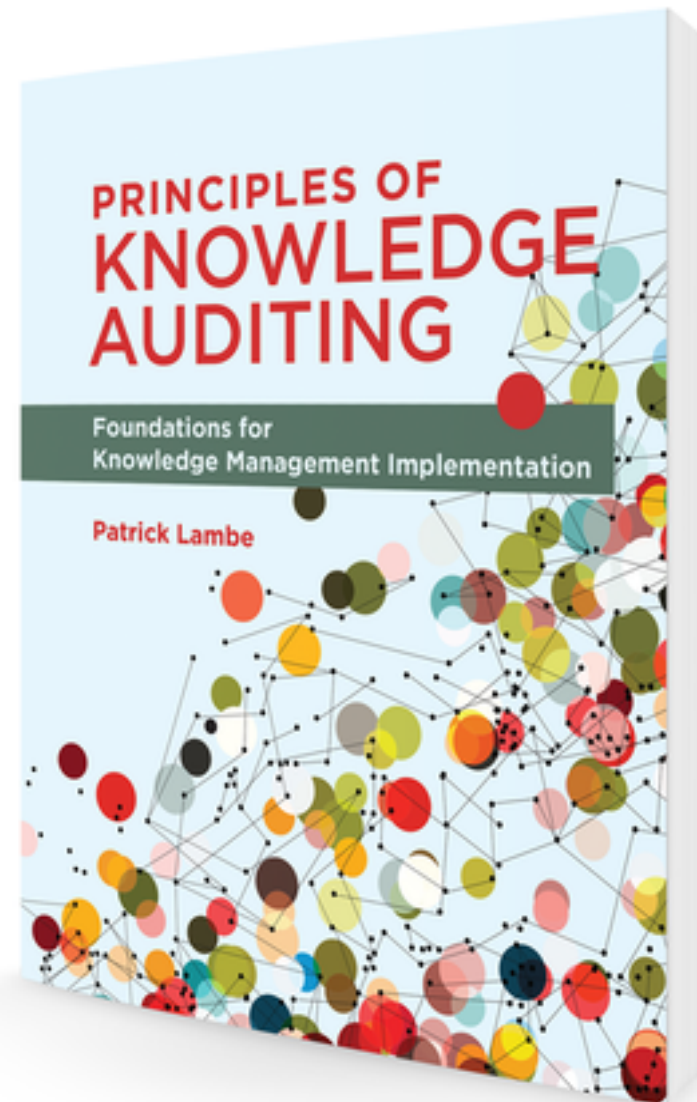


Discussion

Thank You!

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