
Book Review

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Creating Knowledge Advantage: The Tacit Dimensions of International Competition and Cooperation

by: Nigel Holden and Martin Glisby

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This is a book about corporate culture focusing heavily on Japan, Japanese language and communication style in which tacit knowledge (TK) is the central theme though this is not made very clear in the title of the book.

TK is dealt with at great length in the 260 pages of the book, perhaps too great at some points. The language is sometimes rather laboured with some tendency to repetition, especially in the early chapters, but becomes more dynamic in the sections presenting the case material, which is the great value-added of the work.

The authors state that their primary audience is MBA students and, referring to Mintzberg's well-known criticisms of teaching in this area, see themselves offering 'relevant variety'. They also state this is not a 'focused text', which is somewhat misleading since there is an intense focus on TK throughout.

There is a lengthy foreword by Christine van Winkelen, who ran the KM Forum at Henley Business School for five years, and a testimonial from Ikujiro Nonaka, which adds authoritative credence to the book.

Objectives are explained at the beginning of each chapter (except the case studies) and references appear at the end of each chapter.

One might think that KM is now a bit outmoded and indeed the authors exclaim "not another book on KM!" but they are enriching the debate: they set out to show that TK has a major role in communication, in particular cross-cultural, in business. Holden published his 'Cross-cultural management: a knowledge management perspective' dealing with this area in 2002, and a lot of the ideas and terms reappear in the newer book, as well as the focus on Japan and to a lesser extent on Denmark. His careful terminology is retained in this book: knowledge transfer is to be seen as translation; 'lack of equivalence' as a major challenge in cross-cultural understanding. 'Conversion' as somewhat wider than translation (see Proposition 6), conveying more of the embedded information (diagram p.85) and in any case aiming at "minimum loss of meaning" (p.60); it seems to differ somewhat from Nonaka and Takeuchi's use of the term and at times this is all a little perplexing.

The book is the fruit of the collaboration between an English academic (Holden) and an experienced Danish practitioner (Glisby) and thus also of the melding of theory and practice. It is clear that both men are fascinated by Japan and have considerable admiration for the country and its achievements especially in terms of learning from the West. A major source of inspiration is the seminal 1995 book by Nonaka and Takeuchi, 'The Knowledge Creating Company'; The SECI model of knowledge conversion and the difficult-to-define concept of 'ba' are familiar from Nonaka, the latter used to mean "an existential place where participants share their contexts and create new meanings through interactions".

There is an insistent emphasis on language (and in particular Japanese) as central for understanding across cultural frontiers. As we are repeatedly reminded, Western communication is low context and fails to pick-up tacit complexities thus affecting our ability to learn. In contrast, the Japanese are more sensitive to the tacit and as a result more successful in innovation, more competitive and internally more capable of cooperation – hence the book's sub-title.

The authors use their subject matter, the tacit, to justify the lack of a 'scientific' mode of writing (pp.30/31), which has a slightly disingenuous ring, but points up the opposition between tacit and scientific which would seem to follow from the equation explicit-scientific. No mention is made of how this would apply to social sciences.

There is a lot of thoughtful and sometimes rather obscure discussion about the relationships between TK, language and KM, as in the 'Golden Triangle' presented on p.67. The authors are concerned that in the KM literature there are so few references to TK. This is largely the result of KM's mission to convert knowledge, i.e., render it explicit or 'turning unreflected practices into reflected ones'. At all points, the key to understanding the tacit in communication situations lies in contextualisation. Some of the models are somewhat baffling such as the one on p.85 incorporating all the words generated by Nigel but in which the relationships, or 'ambiguity' as the initial stimulus, are far from clear. The debate on the contrast between translatability and convertibility is also rather esoteric and likely to escape practitioners. The concept of TK was apparently so unpopular with their interviewees that they used the terms 'soft' and 'hard' instead, which I would have found ambiguous but we assume that the respondents did not.

During the first part of the book, the authors build-up a series of 'propositions' about TK which are summarised at the end of the book and are well worth reading carefully since they embody a lot of wisdom about the nature of TK. In fact, this is not a bad place to start reading the book: a crystallisation of what is dealt with at sometimes rather tedious length in the first four chapters. It is these propositions and the company cases that make the book innovative and valuable. The cases are based on the authors' and in the last case Glisby's considerable experience of business in Japan. They are rich in learning as studies in corporate culture; what is special here is the authors' interpretation of the role of TK.

The four cases are a Chinese company that has diversified from Thai restaurants called 'Simply the group'; Denso, a Japanese corporation involved in electronic components for automotive engineering, Novo Nordisk (also featured in Holden's last book), a Danish healthcare company, and Ole Lynggaard, another Danish company operating successfully in Japan.

To offer a fusion of Western and Chinese lifestyles the 'Simply the group' worked on trends, aspirations and associated images to convince the consumer. What the authors also see is the subterranean awareness of the Cultural Revolution for older clients and

how the company subtly takes this into account. There is a rather odd use of the idea of CSR in this case in a sense that looks more like saving clients' face (p.136).

In Denso, important issues highlighted are the key importance of earning trust for Japanese business, the development of *jinmyaku* – a stronger idea than networks, the all pervasive nature of quality and the Japanese need for respect from the rest of the world. In describing the creation of the 'DENSO spirit' we witness classic organisational culture development, while the DENSO way seeks to align people's efforts in the organisation in, as we are repeatedly reminded, an especially Japanese fashion. A series of contrasts observed by a Japanese in Sweden is also enlightening for the student of culture. The idea of 'uncopiable essence', dear to business strategists, is here linked with key intangibles as higher managers devote considerably more of their time to 'soft issues'. The authors also identify the sub-strategic level in the organisation as the one that makes the most use of the tacit in their messages.

In Novo Nordisk, the Danish egalitarian style – 'no place for autocratic management' – nonetheless does not prevent goal oriented attitudes and getting things done by virtue of listening more than shouting, thus picking up tacitly embedded signals. The Novo Nordisk facilitators were reported on in Holden's 2002 book as fomenters of the Novo Nordisk Way of Management (NNWoM); once again this is a study in corporate culture. Clearly, the facilitation process is knowledge sharing in ensuring units integrate themselves with a view to 'enhancing performance'. The authors observe that NN culture is more important than Danish culture in the sense of their identification with the company; one might feel nonetheless that this did not mean they display less 'Danish' characteristics. In order to carry out their task successfully the facilitators must share TK on various levels (company, situation, relationship and network), informing their role as 'cross-cultural knowledge brokers'. The question is to what extent these are functions of knowledge sharing or of knowledge creation: the authors are clear, as I understand Nonaka to be, that this is creation, much perhaps in the same way that shared cultural identification is a creation.

Finally, the Ole Lynggaard case describes the cross-cultural competences and knowledge of Martin Glisby in successfully taking a Danish jewellery company to Japan by learning the 'key codes' of language and communication and gaining profound knowledge of the business context, in this case wedding traditions, needed to understand the unspoken drivers behind the people he deals with.

The last two chapters of the book summarise how the cases can be said to support the idea of TK as 'management's Holy Grail' or 'untapped reservoir of wisdom'. There are a number of pages of argument which to my mind are overkill of an argument which does not need such insistent and explicit repetition: culture formation and maintenance clearly are undertakings that require tacit understanding and indeed are often defined as such: you cannot put your fingers on it but you feel you belong. The authors recognise that you cannot explicitly recommend firms to pay more attention to the tacit, by definition, but at the same time it is of central importance to 'gaining advantage': a nice paradox. This is recognised in their 'afterword' where they conclude that you should no more talk about TK than try to explicitate what you mean by culture.

For me this book has put a lot of admirable research, well-researched case studies and deep (rather than wide perhaps) research into demonstrating their case. On the whole, the authors' claim to have written something innovative and important on TK 15 years after 'The Knowledge Creating Company' is justified.

Minor moans: I have the same problem with this book that I had with Holden's 2002 book, finding the diagrams presenting the models not especially instructive; they tend to juxtapose terms without making the dynamics clear. Regrettably this book also, like the last one, is marred by numerous typos and some infelicitous use of the English language, such as confusion between 'impediment' and 'impedance' or the rather impenetrable wording of some of the propositions.