



Translation of book review in the Danish financial paper *Børsen* on 28 October 2005

Knowledge Management and Intellectual Capital. Per Nikolaj Bukh, Karina Skovvang Christensen & Jan Mouritsen (eds.), published 2005 by Palgrave Macmillan (Houndsmill, Basingtonstoke).

Honest book is better than its words

by Jens Genefke, Professor, dr. oecon.

Right now everyone talks about knowledge and knowledge management, but the glittering promises do not always live up to the ruthless practice in the companies. This is apparent from a study of American and European companies' satisfaction with 25 different management tools. Knowledge management comes in last – it says so in this book whose experienced and very knowledgeable authors both summarise theoretical knowledge, show when it goes wrong, and make sound proposals for approaches.

The overall message is that knowledge management represents an investment which must be prepared at least as good as other investments, i.e. a company must be able to manage all the usual questions about whether and how the investment contributes to fulfilling the company's strategy and suits the rest of the company's organisation. It is the latter which is problematic as knowledge management affects so to speak all of the company's areas. It is always a balancing act to combine theory and practice. If you attach the greatest importance to accounting for theory, it easily becomes pedantic and boring – if you attach too much importance to practical examples, you risk that it becomes impossible to get an overview.

This book has taken a middle course where the first of the book's 13 chapters give a clear, up-to-date and discerning picture of the theories in the field. The subsequent nine chapters each clearly describes what has taken place in the different companies. The last of the nine chapters analyses and describes a company in a way that makes it easy to compare with the introduction to the book. Finally, the concluding chapter summarises main points across the chapters – both theoretical and practical ones. It is well made! And it will undoubtedly make those familiar with the subject in advance establish a critical overview.

However, the book also deserves to be read by managers and employees who have had enough of theoretical words.

Introducing with theory

As each of the case-based chapters is introduced by an outline of theory, they may easily be read separately. If you start “inside the book”, you begin with systematic and concrete descriptions of advantages and disadvantages related to the practical design of knowledge management. And it gives a number of clear examples of why it is so difficult. The companies described are well-chosen and vary both in size and trade. The subjects range from considerations about the strategic application of knowledge management over the disadvantages of beginning with IT-solutions to the need to have conscious reflections about how the accumulated knowledge may contribute to the company’s goal, and to considerations about motivational conditions when employees are expected to let others gain access to the knowledge which gives themselves status, self-esteem and pay.

I would like the book to be used as entrance key in companies considering introducing knowledge management. Much time and much money could be saved by using the book as point of departure for study group work before the launch of a knowledge project. If anybody has the courage to such an approach, I would suggest beginning with chapter 10. Naturally, study groups also cost time and thus money. However, preventing is cheaper than curing – and if you do not want to protect yourself in one or the other way against the most common pitfalls of knowledge management, you are most likely not ready to jump on the bandwagon.

Direct instructions

Whether the book is used in one or the other way, it is clear that the most essential obstacles to benefiting from the investment in knowledge management lie in the preparation. One of the chapters gives direct instructions: You should consider four areas: How centralised should the knowledge sharing be managed? How should the company’s incitement system be adjusted to keep the employees motivated? Which IT-support is necessary? And how should the desired knowledge be classified and grouped to be useful? The advice is then: Analyse these four areas separately and then examine how they fit together – before this has been done, you should stay far away from introducing knowledge management.

These analyses may be carried through in several ways – you can then read about this in other chapters, both the descriptive and the theoretical ones. And slowly the reader realises how theory is useful. Successful knowledge management requires that the people in charge know something about a lot of things.

Already from the beginning the authors state that they will keep focusing on management and they keep their promise. Thanks for that.

[The book is in the review awarded 5 quality caps out of a maximum of 6 quality caps which represents an outstanding book.]