Knowledge Management or Knowledge-Cum-Values-Management?

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Abstract

The point can be simply exemplified: ‘If somebody has gained knowledge on shooting with a rifle, does the person’s choice to shoot whether at a paper target or at a human being depend on the person’s knowledge or values?’ The paper is aimed to address generation of human properties on which one’s bases for action, called the subjective starting points in the Dialectical Systems Theory, and their impact over the human capacity to generate inventions and innovations in a socially responsible manner, meaning consideration of interdependence and holism in order to minimize one’s detrimental impact over society, i.e. humans and nature.

The addressed thesis reads: Knowledge management that fails to consider human values and other emotions is too one-sided to prevent failures, which tend to result from one’s / team’s lack of requisite holism; it is irrational to be only rational in human decision making and action.

Keywords: knowledge, knowledge-cum-values management, research, Dialectical Systems Theory, (corporate) social responsibility, new economy

JEL classification: D83

Introduction
The selected problem and viewpoint
Knowledge management is a too narrow concept; it tends to leave human values and other emotions aside. The given situation requires transition to ‘knowledge-cum-values management’ exposing interdependence of these two crucial human attributes. The transition needs some bases and a process and a methodological support. They are briefed here.

A brief literature review
Google has a page called ‘Knowledge Management’ mentioning 125.000.000 hits and a page called ‘Knowledge-cum-Values Management’ mentioning
10.200.000 hits, putting our contributions at its beginning as the ‘academic’ ones (Šarotar Žižek et al., 2014; Zlatanović and Mulej, 2015). The Wikipedia page on ‘Knowledge Management’ does not mention ‘values’, not even in the part titled ‘Motivations’; it mentions ‘rewards’ and ‘incentives’ (that may impact values) in the part titled ‘Strategies’. We detected no Wikipedia page on ‘Knowledge-cum-Values Management’. The number of contributions is too big for anybody to read all millions of them.

Another modern idea - the “new economy”, addressing economics surviving and sustainable development of modern societies and their organizations does not address Knowledge-cum-Values either (Leydesdorff 2006; Carayannis and Campbell 2009; Howkins 2001; Dubina et al. 2012; Leiponen and Helfat 2010; Korten 2009; Lafley and Johnson 2010; Ralston et al. 2011; Ralston et al. 2014). Closer might be discussions regarding the importance of knowledge and education for necessary reliance of intellectual capabilities for development of knowledge-intensive activities (Drucker 1969; Powell and Snellman 2004; Mandel and Noyes 2016). Several authors expose importance of co-evolution between knowledge, innovation and creativity (Peterman and Kennedy 2003; Carayannis et al. 2014; Potocan and Nedelko 2014; Rašič, 2015; Zore 2015).


**A brief explanation of the role of values in the human work process**

The work process makes humans differ from other living beings. It requires and develops rational behaviour for humans to survive, but life shows interdependence of the rational and irrational human attributes, e.g. the right and left brain, in management of human activities. In my ‘Dialectical Systems Theory’ as a methodology on the requisitely holistic behaviour this process is summarized as in Table 1.
Table 1
The law of hierarchy of succession and interdependence, applied to the work procedure in general

<table>
<thead>
<tr>
<th>Outer influences, preconditions, circumstances + ones’ own knowledge-cum-values</th>
<th>Perceived influences, preconditions, circumstances</th>
</tr>
</thead>
<tbody>
<tr>
<td>The definition and development of starting points as a requisitely holistic system</td>
<td></td>
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</tbody>
</table>

The outer starting points, part 1: objective / outer needs
- The subjective starting points for the given case:
  1. Values and other emotions (what for? preference)
  2. Knowledge on contents (what & why?)
  3. Knowledge on methods (how & why?)
  4. Talents etc.

The outer starting points, part 2: objective / outer possibilities

Source: Mulej, 1979 and 2013

Table 2 summarizes how values of the influential person become more or less general and direct the human practical behaviour:

Table 2
Interdependence of values, culture, ethics, and norms, i.e. VCEN

| Individual values (interdependent with knowledge) | Culture = values shared by many, habits making them a rounded-off social group |
| Norms = prescribed ethics on right and wrong in a social group | Ethics = prevailing culture about right and wrong in a social group |

Source: Mulej, Ženko, and Potočan, in Mulej et al., 2013, and earlier

The point of consideration of knowledge-cum-values management instead of knowledge management lies in the necessary transition from one-sided consideration of humans to the requisitely holistic one, which prevents the crucial oversights better than a one-sided one, while a real, i.e. total holism cannot be reached. See Table 3.

Table 3
The selected level of holism and realism of consideration of the selected topic between the fictitious, requisite, and total holism and realism

| Fictitious holism/realism (inside a single viewpoint) | Requisite holism/realism (a dialectical system of all essential viewpoints) | Total = real holism/realism (asystem of all viewpoints) |

Source: Authors
In practice, values are very crucial: they do depend on knowledge, but they also influence knowledge, all the way to the selection for which purpose a given knowledge is applied.

**A brief summary of the Dialectical Systems Theory (DST) on the above criteria**

DST matches criteria of requisite holism (For details see: Mulej et al., 2013a, b).

1. The three relations in DST are:
   1a. The law of requisite holism (it demands the author/s of the definition of a system representing the object under their consideration and/or control to clearly state what part of attributes of the object is included into their system; this is the mental picture of the object under consideration and/or control; one must do one’s best to fight oversimplification by all available/crucial knowledge and skills as well as by ethics of interdependence).
   1b. The law of entropy (it reflects the reality in which there is a permanent tendency towards destruction, which demands holism and innovations permanently; holism and innovation have conditioned survival since the times humankind has given up humans’ adaptation to nature).
   1c. The law of hierarchy of succession and interdependence (later events depend on earlier events of the same process crucially; processes and events interact, when and because they are interdependent; interaction is a precondition of survival, too: without it processes stop).

2. The three elements in DST are:
   2a. The ten guidelines defining the subjective starting points (values and other emotions, knowledge on contents, and knowledge on methods, as a dialectical system) aimed at making humans go for creativity and holism rather than for routine-loving and one-sided behaviour.
   2b. The ten guidelines on assuring the agreed policy to survive in later steps of the working process (in which several more narrowly specialized and routine-loving persons normally enter the stage).
   2c. A methodology of creative cooperation aimed at making DST viable in the daily practice as an informal systems-thinking by a shared framework programming and executing of the human creative activities (e.g., our own method called USOMID in Slovene acronym).

**A brief hint to Adam Smith, a crucial author of the economic theory**

It is well known that Adam Smith wrote his book “Theory of Moral Sentiments” (1759) before his “An Inquiry into the Nature and Causes of the Wealth of Nations” (1776). As a professor of ethics and moral he presupposed ethics of altruism would help people overcome their natural selfishness, which was and is making them forget about solidarity and interdependence, once they feel that a narrow individualism might help them better than solidarity.

Today, altruism is no more appealing than it used to be to most people in A. Smith’s times as well as in industrial and post-industrial capitalist times. But it can well be replaced, even in the hard, very competitive business world, by ethics/VCEN of interdependence which surfaces as creditworthiness, trustworthiness, credibility, reliability, and so on – for clear economic reasons. The Adam Smith’s ‘invisible hand’ does not express one-sidedness of the business partners: reliable partners do not lose their partners, who return again and again to do business and generate profit with
relatively low cost and effort that is smaller than the effort to find new high-quality employees, suppliers, buyers and other partner, than the strikes, the illness, the poor productivity, or absentism, presentism, consequences of monopolies, both on the part of governments and enterprises, etc. They behave in interdependence and with long-term views.

Reflection of the above findings in social responsibility

Systems theory has many versions (François, 2004). Many of them consider selected parts of reality from their selected viewpoints. Thus, many of them, although useful and beneficial, deviate from the basic difference of systems theory and cybernetics from the traditional sciences and practices: to fill in the gap in human knowledge and values resulting from oversights caused by over-specialization and lack of inter-disciplinary creative cooperation (Bertalanffy, 1951/1968, edition 1979; Wiener, 1948). Thus, creative cooperation leads toward the requisite holism as the solution for humankind to never repeat the world wars and big recession of 1914-1945. Now, a similar dangerous crisis is here, as the daily press reports. Solution requires requisitely holistic management of human knowledge and values. In order to overcome the current global socio-economic crisis, humankind must overcome two types of crisis: (1) oversights due to the narrowly specialized and poorly cooperating persons’ non-systemic behaviour and its management; (2) over-specialization inside systems theory and cybernetics causing fictitiously systemic behaviour and its management. For four decades we have been offering a solution by Mulej’s Dialectical Systems Theory (Mulej, 1974; Mulej et al, 2013; many publications between them) with many thousands of successful cases of application. Though, our cases were more often local than global.

Now, a new solution is offered on the world-wide level: (corporate) social responsibility that supports systemic behaviour (not thinking only), informally (ISO 26000 standard, by ISO, 2010); it covers all topics of human activity and exposes seven principles of systemic behaviour. ISO 26000 (ISO, 2010) requires a holistic approach (based on interdependence) and includes seven content areas: (1) organization, management and governance, (2) human rights, (3) labour practices, (4) environment, (5) fair operating practices, (6) consumer issues, and (7) community involvement and development. This requirement is supported by the following 7 principles: 1. accountability, 2. transparency, 3. ethical behaviour, 4. respect for stakeholder interests, 5. respect for the rule of law, 6. respect for international norms of behaviour, and 7. respect for human rights (ISO 2010: 10-14).

European Union (2011) defines social responsibility as one’s responsibility for one’s impact over society. EU suggests its member states and big enterprises to be role models of social responsibility as a way out from the current socio-economic crisis. All these contents are linked by two crucial terms from the (Dialectical) Systems Theory: (1) interdependence, and (2) holism. They crucially change the prevailing current VCEN practices. ISO (2010) suggests in ISO 26000 (pp: 69-84) the following procedure to make social responsibility a normal practice: Step 1: The relationship of an organization’s characteristics to social responsibility; Step 2: Understanding the social responsibility of an organization; Step 3. Practices for integrating social responsibility throughout an organization; Step 4: Communication on social responsibility; Step 5: Enhancing credibility regarding social responsibility; Step 6: Reviewing and improving an organization’s actions and practices related to social responsibility; and Step 7: Voluntary initiatives for social responsibility.

Obviously, an innovation of values by knowledge-cum-values management is demanded. It should be supported methodologically.
A potential methodological support for human transition from one-sided to requisitely holistic behaviour via social responsibility

Social responsibility adds the VCEN of interest of enterprises to do more than the law requires officially, because it helps them outcompete the others by more requisite holism of their approach and wholeness of their outcomes. Methodologically, combing the '6 Thinking hats and USOMID' as summarized in Tables 4 and 5 can help governors and managers run their region and organizations with requisite holism and hence successfully (See Mulej et al., 2013, for details and references).

Table 4
Essence of each of the six thinking hats (applied in phases; all participants use the same hat at the same time, and then switch to another hat)

<table>
<thead>
<tr>
<th>SREDIM Phases USOMID Steps Inside SREDIM Phases</th>
<th>1. Select problem / opportunity to work on in an USOMID circle</th>
<th>2. Record data about the selected topic (no 'Why')</th>
<th>3. Evaluate recorded data on the topic ('Why is central')</th>
<th>4. Determine and develop chosen solution/s to the topic</th>
<th>5. Implement chosen solution to the topic in reality</th>
<th>6. Maintain implemented solution for a requisitely long term</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Individual brain-writing by all in the organisational unit / circle</td>
<td>All 6 hats</td>
<td>White hat</td>
<td>All 6 hats, red, black, yellow, green first of all</td>
<td>All 6 hats, red, black, yellow, green first of all</td>
<td>All 6 hats in preparation of implementation</td>
<td>All 6 hats in preparation of maintenance</td>
</tr>
<tr>
<td>2. Circulation of notes for additional brain-writing by all</td>
<td>All 6 hats</td>
<td>White hat</td>
<td>All 6 hats, red, black, yellow, green first of all</td>
<td>All 6 hats, red, black, yellow, green first of all</td>
<td>All 6 hats in preparation of implementation</td>
<td>All 6 hats in preparation of maintenance</td>
</tr>
<tr>
<td>3. Brain-storming for synergy of ideas / suggestions</td>
<td>All 6 hats</td>
<td>White hat</td>
<td>All 6 hats, red, black, yellow, green first of all</td>
<td>All 6 hats, red, black, yellow, green first of all</td>
<td>All 6 hats in preparation of implementation</td>
<td>All 6 hats in preparation of maintenance</td>
</tr>
<tr>
<td>4. Shared conclusions of the circle</td>
<td>All 6 hats</td>
<td>White hat</td>
<td>All 6 hats, red, black, yellow, green first of all</td>
<td>All 6 hats, red, black, yellow, green first of all</td>
<td>All 6 hats in preparation of implementation</td>
<td>All 6 hats in preparation of maintenance</td>
</tr>
</tbody>
</table>

Source: Mulej et al., 2013
Conclusion

Values and other emotions are normal human attributes, but the economic theory, except Adam Smith as a professor of moral and ethic, tends to oversimplify its models by averages and by leaving values and emotions aside (see also: Piketty, 2015:30). The literature on management theory is hardly more realistic by limiting itself to ‘knowledge management’ rather than the concept of ‘knowledge-cum-values management’. A realistic approach requires consideration of my ‘Dialectical Systems Theory’ that has been applied in several thousand cases, or, maybe even better, the ‘(Corporate) Social Responsibility’ that is an informal way to the same goal: the requisite holistic behaviour, based on VCEN of interdependence, supported with the seven SR principles from ISO 26000 and the methods of creative cooperation, e.g. my USOMID, or De Bono’s ‘parallel thinking’ with ‘6 Thinking Hats’ achieving lateral thinking and cooperative behaviour (De Bono, 2005, 2006, 2015).

References


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Matjaž Mulej, Emeritus Professor of Systems and Innovation Theory, PhD in Economics (Systems Theory), PhD in Management (Innovation Management), author of “Dialectical Systems Theory and of Innovative Business in catching-up countries”. Publications: beyond 1.700 in close to 50 countries, about 60 (mostly edited) books and proceedings, recently about social responsibility. Several hundred citations. Factor +30 in Research Gate data, with beyond 6k visits and down-loadings. Member of three international academies of science, former president of the International Academy for Systems and Cybernetic Sciences. Visiting professor abroad for 15 semesters. Dean and vice-rector in 1979-1983, University of Maribor. The author can be contacted at matjaz.mulej@um.si.

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