Book review on: Max Boisot, Ian MacMillan, and Keyong Seok Han, Explorations in Information Space: Knowledge, Actors, and Firms, 2007, Oxford University Press,
Rani Jeanne Dang

To cite this version:

HAL Id: halshs-00365176
https://halshs.archives-ouvertes.fr/halshs-00365176
Submitted on 6 Mar 2009

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L’archive ouverte pluridisciplinaire HAL, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d’enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

Much has been written about knowledge management and value creation. But a real theoretical framework for the creation and the sharing of knowledge is lacking in much of the work done so far.

In fact, with the rise of the knowledge economy, economic value is increasingly seen as relying on intangible assets rather than physical assets. Strategies for managing knowledge thus become of central concern. This is one of the reasons why “knowledge” has been so crucial for economic and management fields over the last two decades. But since “knowledge” is not only bare data, or information, but rather the result of a process involving space and time, the nature of knowledge takes on a strategic dimension. Across disciplines and functional boundaries, philosophers, economists, sociologists, organisation theorists as well as managers have debated the nature of knowledge without a real theoretical consensus.

This book is precisely concerned with this issue. It aims at providing a theoretical framework to explore the nature of relevant organisational knowledge within and between firms, and in any other social system. The authors stress the fact that current knowledge management approaches are mainly Information and Communication Technology driven, focusing on the application of tools, and considering knowledge as a stand-alone resource: something that can be commercialised, stocked, manipulated and defined with clear perimeters. In this book, the authors conceive knowledge as a value creating process, demonstrating that the knowledge management field lacks a founding theory focused on the nature of knowledge and knowledge flows. It is, consequently, not possible to have a credible theory about how to manage knowledge in a firm without first developing a knowledge-based-theory of the firm.

The two main goals of the book can be summarized as follows: Firstly, to build up the foundations of a theory for a conceptual framework centred on knowledge flows, which the authors call the Information Space or I-Space. Secondly, to connect the I-Space framework to the actual world by exposing the managerial implications deriving from the heterogeneous institutional structures that emerge from data processing strategies.

The book is an anthology of articles that have been published in various journals and that are sorted in a coherent order. There are, of course, advantages and disadvantages of publishing an anthology, a fact that the authors acknowledge themselves: on the one hand, each chapter can stand alone, but, on the other hand, the reader will notice redundancies between the different chapters, as well as the fact that the chapters are very different in nature: the perspective and the level of analysis change from one chapter to another.

The structure of the book is quite clear: the five first chapters are dedicated to building the theory for a conceptual
framework (the I-Space) and to focusing on knowledge flows. The sixth chapter demonstrates how and for what type of research studies the I-Space can be applied. A seventh chapter concludes proposing a research agenda.

In what can be called an introductory theoretical chapter, Max Boisot sets up the scene for his theory by highlighting the main issues linked to the knowledge society and the evolution of the different approaches to knowledge according to various disciplines and to historical and economical contexts. It is well written and offers accurate definitions. In fact, knowledge management is a field in which most definitions are abstract and to some extent unclear. Thus, the first chapter is dedicated to the conceptualisation of knowledge and clarifies how it is related to data and information. The authors claim that the distinction between data, information and knowledge has to be revisited, and that light should be shed on how these three concepts relate to each other. In fact, they conclude, these concepts are weakly grounded in theory, although understanding knowledge requires understanding their conceptual foundations. Without this elucidation it would be difficult to understand the data-processing strategies that emerge.

Information can be used, it is argued, to mediate the relationship between the stimuli of the world that reach an actor and the actor’s prior knowledge. Knowledge is viewed as a set of expectations that filters incoming stimuli and makes the actor behave in a particular way. One may fear that this approach reduces knowledge to a subjective experience, as argued by the radical constructivists. But it actually adopts an evolutionary perspective, affirming that even if knowledge differs across individuals, some objective knowledge will gradually emerge thanks to the overlaps in the respective situations and data-processing strategies of the different actors.

In the two following chapters (chapter 2 and 3), the different strategies when using knowledge are examined. This analysis takes place first at the individual level and second at the organisational level. At the individual level, two distinct and yet complementary paths (or mindsets) to the development of knowledge are identified: the entrepreneurial mindset and the managerial mindset. They operate with different epistemologies and therefore have profound implications for knowledge management. An epistemic strategy of an entrepreneurial mindset is more appropriate under conditions of uncertainty and novelty, while the managerial mindset is more appropriate where accumulated and objectively verifiable experience is available. The entrepreneur or manager will not act the same way according to his or her level of justification rigour and beliefs. Two patterns derive: the plausible pattern (entrepreneurs) and the probable pattern (managers).

At the organizational level, chapter 3 focuses on how knowledge is used by organisations in order to give rise to an identifiable competitive advantage. Following the knowledge-based-view perspective, it is argued that organisational differences come from the way resources are accumulated as time
passes, and that, by exploiting and maintaining such resource differences, firms are able to build up a sustainable competitive advantage. This heterogeneity of resources can result from the way organisations' cognitive activities of codification and abstraction. These two processes on which Boisot's I-Space framework is built, are defined as follows: codification is the process of giving form to phenomena or experiences by extracting relevant information from them, and by exploiting them is order to retain regularities, moving from intangible knowledge into manageable processes. Codification involves categorisation. Abstraction is the process of reducing the number of categories needed by identifying categories that are redundant or irrelevant for the purpose for which codification is undertaken. Abstraction can thus be seen as the compact representation of phenomena (as an efficient coding). Thus, codification facilitates abstraction by giving an edge to categories, which make them more discernible. Abstraction, in turn, stimulates codification by reducing the number of categories whose boundaries need to be refined. Both, working together, they have the effect of producing more articulated knowledge and therefore more shareable knowledge. The epistemic differences that can arise between firms from the way their respective codification and abstraction strategies operate can be a powerful source of competitive advantage.

Chapter 4 explores the strategic assumptions underlying the current knowledge-based theory of the firm. The I-Space is used as the conceptual framework that relates the articulation of knowledge (through codification and abstraction) to the sharing of knowledge (diffusion). The I-Space framework enables the identification of distinct information environments whose codification, abstraction and diffusion dynamics give rise to different social behaviours (cultures). Thus, according to these information and characteristics, four types of cultures emerge: markets, bureaucracies, clans and fiefs.

Chapter 6 finally demonstrates the I-Space's benefit by presenting an agent-based simulation model. This last chapter shows this model applied to concrete empirical problems found in intellectual property rights.

By the end of chapter 6, several issues and questions still remain to be addressed. How is it possible to empirically identify an organisation's critical knowledge assets by measuring its level of codification, abstraction and diffusion? How are they linked to each other? What are the implications of these interaction structures on knowledge creation? The last chapter proposes a rather exhaustive agenda that should attempt to answer these and other questions.

In conclusion, this book takes on the great challenge of articulating a theoretical approach to creation and dissemination of knowledge. Thanks to the relevance of examples (historical examples, biological and physical metaphors as well as specific examples such as the launch of the Walkman by Sony or the problem of intellectual property) and because of the accuracy of definitions, the book remains accessible.
to the reader. Furthermore, the reposi-
tioning of state-of-the-art knowledge
management approaches, according to
various disciplines and historical con-
texts, helps to understand the gap that
the authors want to fill. This quality
makes the book unexpectedly read-
able, considering the complexity of the
goals. However, the reader is left with
a range of thoughts about the applica-
tions of the framework. As the authors
also confess, the framework is built
upon multiple interconnected theories
rather than one single theory, making
it rather difficult to devise how to apply
it to empirical testing. For some readers
the content may seem overly dense and
difficult to understand in its entirety.

Overall however, the book is
worthwhile and recommendable. It
succeeds in clarifying most of the un-
clear definitions linked to knowledge
management, as well as explaining
their dynamics and interrelationships.
It also sheds light on how the devel-
opment, codification and diffusion of
knowledge work at different phases.
Knowledge is deeply rooted in history,
context, and action, and this book gives
a robust framework to analyse it with
the underlying idea of building com-
petitive advantage from the robustness
of a theorisation.

Rani J. Dang
dang@gredeg.cnrs.fr
University of Nice Sophia-Antipolis

Norman, Donald A. (2002 edi-
tion, first published 1988). The
Design of Everyday Things. New York,
Basic Books.

Everyone’s everyday life comprises the
use of everyday things. Day by day we
open doors, flip switches, use water
faucets, operate alarm clocks, coffee
machines, and radio tuners, use tele-
phones, and also operate vehicles or
other machinery. Normally, we don’t
ponder over whether all the things we
interact with were designed in an intel-
ligent way, in the sense that it is obvious
how to use them. Donald A. Norman,
however, began contemplating on
these everyday things, and – funnily
enough – after some months of getting
frustrated by the workings of buildings
and transportation systems during his
sabbatical stay in England, took action
and wrote this book.

Norman worked as a cognitive
scientist, interested in how the mind
works in general and human error in
particular, when he was called in to
determine why the operators of the
Three Mile Island nuclear power plant
made such terrible mistakes that lead
to the big accident in 1979. After it was
concluded that not the operators were
to blame, but the faulty design of the
control room and its controls, Norman
realized the huge influence of the de-
sign of everyday things on human er-
rors. After writing this very successful
book, he co-founded the Nielsen Nor-
man Group, an executive consulting
group that helps companies produce
human-centered products and services.
He is Professor of Computer Science at
Northwestern University and Professor