



David Skyrme reviews *Knowledge Economics: Emerging Principles, Practices and Policies*, edited by Debra M. Amidon, Piero Formica and Eunika Mercier-Laurent.

Title: *Knowledge Economics: Emerging Principles, Practices and Policies*
 Editors: Debra M. Amidon, Piero Formica and Eunika Mercier-Laurent
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This collection aims to “educate the new generation of researchers, professors, teachers, industrial and government leadership professionals” in key aspects of the knowledge economy. The contributors are thought and practice leaders from the Entovation Network, founded ten years ago by Debra Amidon. The readings cover societal, enterprise and individual perspectives and offer insights from all corners of the globe.

Analysis

The volume on principles kicks off with a societal view from Thomas Malone and Gary Yohe. Noting the instabilities caused by terrorism and different speeds of economic development, they argue that partnerships across disciplines and institutions can help build stability worldwide. An example of principles at enterprise level is Edna Pasher and Ron Dvir’s paper on six facets of innovation management. Covering the individual level are Karl Wiig’s frameworks and insights into mental models and situation handling, and Bryan Davis’s archetypes of knowledge patterns. Embracing all levels is Leif Edvinsson’s description of leadership for value creation. Whether you take a corporate or individual perspective, value is directly related to knowledge and intellectual capital. Yet, he argues, many of us undermine our future success by being “prisoners of vertical thinking”, focusing purely on the financial bottom line. We need a more entrepreneurial approach to focus on future value spaces that are more intangible in nature.

The second volume begins at the core of corporate-knowledge management, with George Pôr and Erik Bakkum highlighting how communities of practice can be used to create radical innovation. Xenia Stanford’s guide to knowledge mapping and Lynne Schneider’s enterprise-transformation methodology illustrate pragmatic approaches to harnessing and exploiting knowledge. Several papers address the knowledge perspective of the extended enterprise and networking comes to the fore. An example of internet biologists sharing knowledge is provided by Chin Hoon Lau, while Eunika Mercier-Laurent contrasts this by describing the contribution of artificial intelligence.

The final volume also covers a wide range of perspectives. Piero Formica explores a number of contrasting policy themes, including corporatism versus bottom-up communities of free agents and standardisation versus creative ideas. He concludes that traditional technology-transfer innovation policies have failed and, echoing the first chapter of the collection, says that more co-operative policy partnerships are needed. Several papers in this volume turn their attention to measurement. Ante Pulic describes his intellectual-capital efficiency index and argues that it is a better measure of economic performance than profit or cash flow at the enterprise level or of GDP at the national level. Nick Bontis continues in similar vein by describing a different intellectual-capital index, illustrated by the results of a study that compared it across different countries in the Arab region.

The other area receiving attention in this final volume is that of corporate governance and leadership. The Sarbanes-Oxley Act has led to the need for more transparency in corporate governance and Doug McNamara highlights how lucidity is built on the core value of trust. Many leaders, he writes, are uncomfortable with this new style of governance, which represents a shift away from a rules-based to a principles-based environment. Addressing such shifts in practice means a values-based approach to governance, and Eleisa Sundrum illustrates how a values instrument helps individuals and organisations understand this and modify their behaviour.

Bringing the volume to a close, Amidon postulates a blueprint for world trade of ideas. The backbone is a human infrastructure, enabled by a technological infrastructure. However, “it is people – their intellect, insights, and imagination – that will fuel innovation and prosperity”.

Readership

Readers from a wide range of backgrounds will find something of interest in *Knowledge Economics*. However, many of the papers are somewhat academic in tone. If you are a busy practicing manager you might find some of the conceptualising a bit hard going. That said, most contributions are very readable. On balance I feel that students, academics and policy makers will get more out of it than industry line managers. Knowledge managers will find a few papers of interest, though if you are looking for step-by-step guidance or illustrative corporate-level case studies, you won’t find them here.

Verdict

This set of volumes provides valuable insights into the unfolding knowledge economy from various viewpoints. Few volumes bring together such a diversity of perspectives on knowledge but this means that the volume lacks coherence. There is only a short editorial introduction and no linking and positioning commentary or synthesis chapters: these would have been welcome additions. There are also gaps in coverage of topics that would have made the collection more complete, such as comparisons of national knowledge-economy initiatives or an analysis of the characteristics of knowledge leaders.

The volume is good value so in a sense it doesn’t matter if you only read a fraction of what’s on offer. However, this is not a leisurely one-off read, but a set of thought and action-provoking chapters you’ll keep referring back to. ■



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