

The Knowing Organization: How
Organizations Use Information to
Construct Meaning, Create
Knowledge, and Make Decisions

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Major themes

- Info about the org's environment is sensed and its meaning is socially constructed
- Tacit K must be converted into explicit K to lead to innovation
- Once there is Understanding and K, the org is primed for action

Major themes

- Chooses its course rationally according to its goals
- Org action changes the environment + produces new streams of experiences for the org to adapt to
....new cycle

The Knowing Organization

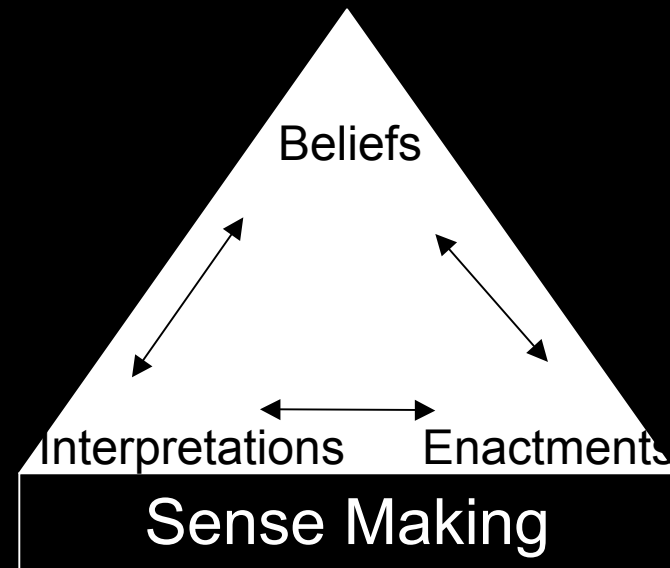
- Sense making
- Knowledge creation
- Decision making

Sense making

- Interpretation of news about Environment
- Members choose what is significant
- Exchange and negotiate views to common interpretation

Sense making

- **Enactment:** bracketing, rearranging, labeling
- **Selection:** overlay past experiences, look for cause and effect
- **Retention:** store the products for retrieval

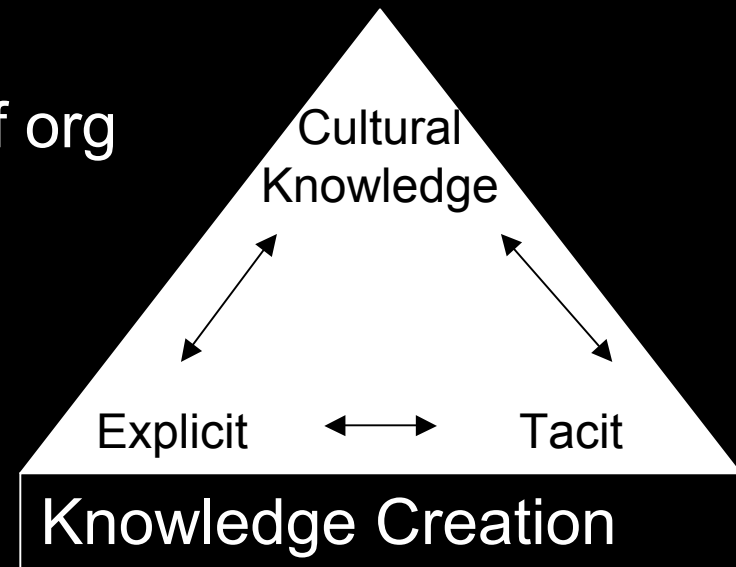


Knowledge Creation

- Conversion of K
- Members share their personal K through dialogue and discourse
- Articulate what they inherently know
 - analogy
 - Metaphors

Knowledge Creation

- Identifies gaps in the existing K of org
- Creates prototypes and models
- Multilevel learning
- Knowledge Conversion

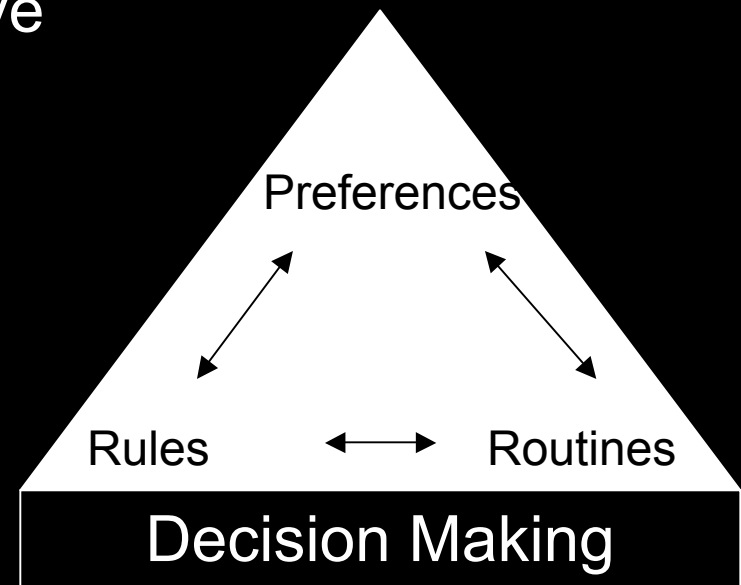


Decision Making

- Processing info about alternatives
- Weigh merits and demerits
- Members are guided by rules, routines, and preferences that structure their info search

Decision Making

- Preferences: guide the way we perceive
- Routines: processes of how we do things
- Rules: appropriate behavior, allocation of attention



Organizational Culture

Beliefs

Cultural
Knowledge

Preferences

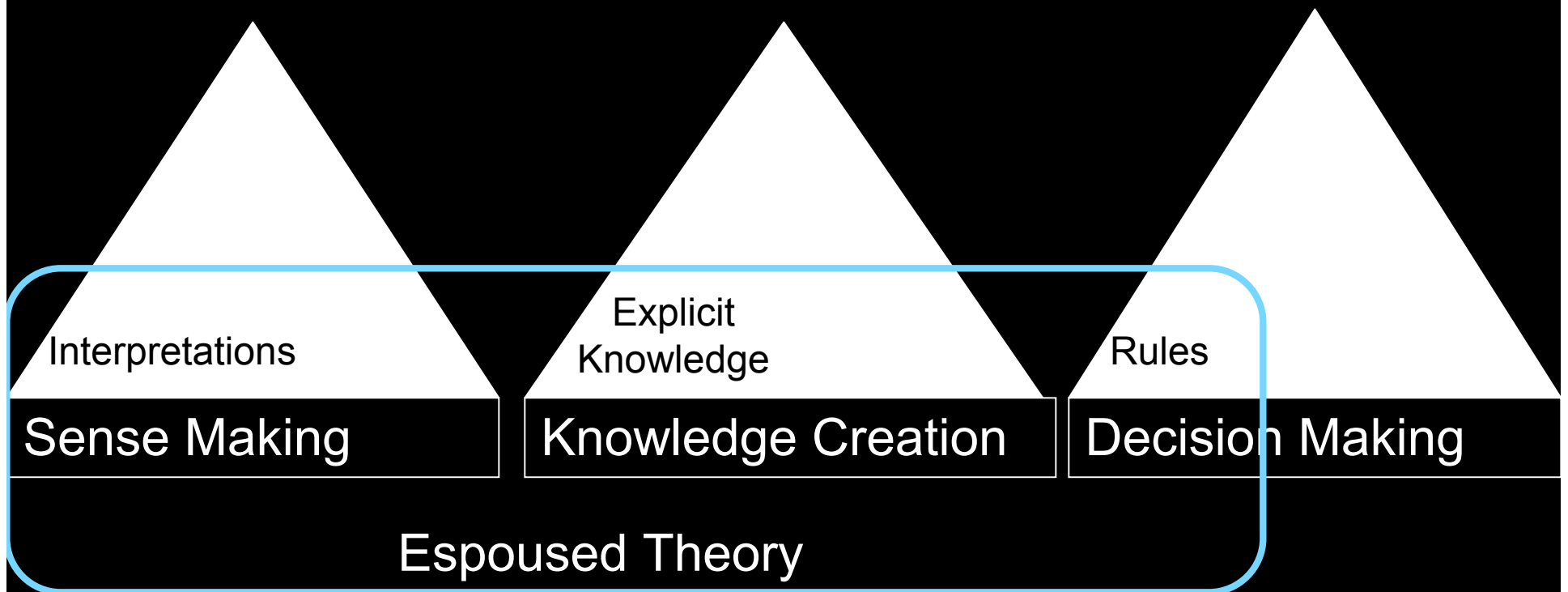
Sense Making

Knowledge Creation

Decision Making

Beliefs, values and preferences create an Organizational Culture

Stored interpretations, recorded knowledge, and institutionalized rules



Organizational Know-How

