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
Beliefs, values and preferences create an Organizational Culture
Stored interpretations, recorded knowledge, and institutionalized rules

- Sense Making
- Knowledge Creation
- Decision Making

Espoused Theory

- Interpretations
- Explicit Knowledge
- Rules
Organizational Know-How

Sense Making

Enactments

Knowledge Creation

Tacit Knowledge

Decision Making

Routines

Theory in Use