



Book Review: *The Handbook on the Knowledge Economy* (2005), Edited by David Rooney, Greg Hearn, & Abraham Ninan

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The purpose of this book review is to introduce the reader to the challenges in putting in place the necessary elements of what may be needed for a knowledge-based economy or organization.

The Handbook on the Knowledge Economy (2005) is an essential piece which explains the use of knowledge today in organizations and governments worldwide. The book explicitly states its purpose by outlining a central theme which is to inform the reader on explaining what knowledge is and how it works socially, organizationally, and economically. It is necessary to know the functionality of knowledge in order to improve and create a more fluid organization. The editor of this textbook collected research which introduces the reader to the historical character of knowledge, followed by outlining the risks involved when addressing the social capital of knowledge. The handbook moves on to a series of essays on the cultural capital to issues and policy related to the knowledgebase. It does address the much-acclaimed issues related to intellectual capital, giving the reader an opportunity to review how values play a role in the knowledge economy.

Rooney, Hearn, and Nina's (2005) collection on concepts, policy, and implementation of knowledge progresses through various applicable formalities addressing strategy and implementation and also imagination and creativity when considering the results of using knowledge. It also allows the reader to understand the position of culture, values, power, communication, risk perceptions, and ethics that are central and effective for knowledge systems. In outlining some of the most critical pieces of this handbook, let me highlight a few that will catch your eye as we consider the use of knowledge and its importance.

In chapter 6, Pillay writes about "Knowledge and Social Capital" and takes into account the ways in which knowledge becomes an asset for society. He highlights the premise that James (1909, as referenced by Pillay) stated clearly, that knowledge as its most basic level is derived from personal meaning and the understanding of the relationships to this meaning. These

relationships are greatly influenced by culture, social experiences, and technological artifacts. The prefix is that social capital is built on two types: human and cultural. Pillay continues to unveil the process of social and cultural experiences which lead to a tension between the economic and social capital. In conclusion, as Pillay derives to his final statements, the author confirms that

The development of a global transactional economy and the pursuit of self-interest driven by capitalist ideologies, our moral and social values have been gradually transformed to support an ethic of single minded competitiveness. Morals related to “social good” are being eroded by the push for a market-driven society – a world where economic maximization seem to be the only focus. (p. 85)

Pillay continues to voice the need to understand and manage tradeoffs inherent in the tensions between the different types of capital posited here. This should then bring us to a holistic model by which we may promote a balanced knowledge society.

The other piece which strikes me as an interesting factor in considering the knowledge economy is the creativity within the process. Mark Banks, in chapter 17, writes about “Managing Creativity in the Knowledge Economy.” Banks notes that there are many options to an organization who wishes to become more creative. This is not only importing specialized trainings into the workforce but actually maximizing on the incubators and generators already at work. There are specific structures that act as incubators in organizations today, and most do not know what they are. Banks moves the reader to the understanding of using a “community of practice” which works as a group of people informally bound together, sharing knowledge in order to pursue a goal or to solve problems in an organization. He suggests that the practice is a key role in providing creative venues for organizations. The shift becomes challenging when you define creativity among the various industries: how do you actually do this? Leadership must insist that creativity requires direct management. The other side of the coin is not only the challenge to manage but to actually bring change to the organization. There are many opportunities in creativity; however, there is a “poor state of knowledge” about creativity in the workplace. Banks suggests that firms, managers, and organizations alike consider the following questions:

1. How is creativity defined in the context of a firm?
2. Who possesses it and in what form is it expressed?
3. What value is placed on creativity as an internal resource?
4. How do intrinsic and extrinsic organizational structures enhance or undermine creativity? (p. 226)

The compilation of the various chapters is a rich representation of how knowledge is treated from its varying angles, considering the challenge to understand it from a social, economic, and organizational perspective. I do believe these chapters will provoke more thought and encourage readers to consider the importance of managing knowledge wisely.

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References

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