THE MANAGEMENT OF KNOWLEDGE

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A guidebook for the community of practitioners

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EXECUTIVE SUMMARY

In a century over crowed with news and new data, we have become more and more concerned by the modality in which we manage the information. It is only natural to ask ourselves the question if this high concern from the last decade for the way we understand to manage the access to new information in a society represents indeed an objective condition of development or it is just a passing fashion? And this is due to numerous paradigms so much popular in the last decade that have become forgotten in the libraries of the time without confirming their reserve of trust and impatience so much credited some time ago.

Is "knowledge management" indeed so much important for our society? What is the relative use of "knowledge" paradigm in the context of multiple transitions occurring in our society? What are the long and medium-term benefits of assimilating this concept in programs of technical assistance and development offered by UNDP to developing countries and what are the eventual costs and risks of this paradigm? What is the degree in which this concept intermingles with the fulfilment of the millennium goals (MDG) and the priorities set up by every State in accordance with its national priorities and its political or economic trend? This study is addressed to those who wish to find out answers to questions linked to "knowledge management" and, in particular, to those willing to increase the impact of their work and set up goals.

The complex and fast development of our society clearly proves the fact that technological, social and economic changes depend the most upon the quality of information we possess and even more – upon our capacity to manage it. Thus, it is not accidental that during last years, knowledge management techniques, the creation and the hanging over of good practices have become amongst the major discussed subjects on the agenda of international conferences being equally evaluated by the private and public sectors.

The affirmation that an increased efficiency and a bigger success may be coming from knowledge management, and that the latter opens the path of competition and results to organisations has made knowledge management to become a key-concept in institutional development, an essential strategic element for their surviving in modern society. It is not accidental that private business managers were the first to support the strategic importance of knowledge management affirming through the aphoristic expression of one of the

most valuable representatives of managers class of some transnational companies, such as Amoco, Chemical Bank, Hewlett-Packard, Kodak and Pillsbury, – Lewis Platt, Executive Director of Hewlett Packard, – that "in the fuss of world economy, knowledge is the convertible currency of big enterprises". He also mentioned that "in the 21st century only big companies will be successful to acquire, stock and apply what their employees know".

The enthusiasm expressed by big deals was taken over by the public sector that got inspired systematically from the techniques and managing innovations of the private business. In the public sector, public agencies discovered that knowledge management can help them keep the collective knowledge, thus, insuring institutional and performance continuity of their strategic objectives.

Consulting companies have become the pioneers of a true industry of "integrated data and resource bases" in their effort to build out of information and data systematic informative structures assembling individual experience to convert them into "institutionalised memories". The sector of "managed knowledge" hit, thus, as a thunder the traditional concept on the western management.

Knowledge management defined as "the idea of capturing knowledge obtained by individuals and its dissemination to others within their organisations" has become an extreme fertile source of inspiration for research and practice during the last decade. It is worth mentioning that not any knowledge may be subject of "management", but only "useful" knowledge or that contributing to the economic growth and social progress. This "useful" knowledge has two distinct forms**:** ***propositional knowledge*** – that describes different natural phenomena including the scientific and epistemological approach; and ***prescriptive knowledge*** – suggesting the way this knowledge may be applied making complete instructions on necessary activities. The goal of a society based on knowledge is to build an interactive link (feed-back) between these two types of knowledge.

Following these trends, many universities have rushed to include in their curricula designed for assimilation of the concept of "knowledge management" by students and professors. Companies have launched generous offers (campaigns) for specialists in knowledge management that is recognition of merits this concept has and, implicitly, a new phase in the development of managing skills of changes in our new societies. The signs of a true "boom" for the interest of knowledge management are visible all over, starting from specialised books, publications and magazines that have inserted in their titles words

and word combinations "knowledge management", "knowledge", "intellectual capital", "positive practice" or "innovation", organisation of conferences on knowledge management (KM), KM services oriented towards corporative clients supported with specialised databases more attractive and diverse from the point of view of big companies managers.

Only during one year, there took place around 40 international conferences on "knowledge management" in the USA and Europe the costs of these mega-conferences being paid by consulting companies, audit firms, think tanks and management associations that would have no reason to throw money in vain if the above mentioned concepts were not world indeed. According to data provided by Dataquest Company, in 1996 the market of services provided under the title of "knowledge management" has recorded a spectacular increase: from 40 million USD in 1994, to around 2.6 billion USD. In less than two years concerns that the euphoria of the moment could disorient the users of this concept and respectively shake the power of transformation it could produce on institutions, private business and society.

The ground is provided by the relative distinct approach on the use of this concept of knowledge management in the West and the way, by contrast, it is used in Asia. Thus, if the West emphasises: (1) explicit knowledge, (2) measure and management of existing knowledge and (3) using organisation as means to process information, in Japan this thing is done through: (1) underlying tacit knowledge, (2) creation of new knowledge and (3) high participation of all members of one organisation (regardless private or public sector) in the crystallisation of an eastern culture for studying from the perspectives of a live body capable to create a continuous innovative circuit. Basically, this new managerial concept has two main dimensions: (1*)* ***knowledge evaluation*** and *(2)* ***judicious management of human capital***.

Integrating these two dimensions into one modern concept of sustainable development based on knowledge, informational economy and increase of performances, many European companies have become, in a very short time, world leaders in knowledge measuring, while American companies were left as organisation-leaders in effective management of knowledge. The analysis of factors that contribute to the economic and social success of a society, famous authors in knowledge management kept on underlying the importance of policies, institutions, competence, physical and human capital and organisational culture.

Governments have a decisive role in establishing national priorities for the education and growth of the "social" culture due to the fact that the market is not a sufficient tool in creating knowledge infrastructures and knowledge transfer conditions.

The quality of institutions is essential because the increasingly bigger distance between the over developed countries and the "third world" – usually explained by the existence of converting knowledge into economic productivity – starts from the lack of some adequate institutions in less developed countries, additional having a limited access to training and education. The existence of such institutions where the tacit and explicit knowledge is being deposited (academies, universities and research centres) may determine the level of development of a society and the historic evolution to be followed by a precise human community.

Access costs are also important because the concept significance of "useful knowledge" depends greatly on decreased costs of access to new knowledge including: rights on intellectual property, technological infrastructure, the speed of integrating technological innovations, etc. Cultural factors are also decisive because the spread of innovations (social, technologic and scientific) introduce important changes of attitude and behaviour, of values and social expectations. The level of culture includes the type of political regime, the quality of administration and the respect for liberal values (justice, human freedoms and liberties) that presupposes important ethic implications on the circuit of knowledge and access to information. Having mentioned this, we hereby invite you to have a useful reading under all aspects of best practices and the paradigh of the informational society.

The aim of the study, also reflected in its structure, is to present in a synthetic way the elements of the "knowledge management" concept, as well as the main characteristics of organisations based on knowledge, their conceptual coordinates and their role in the current international context. Having read it, you will be able to determine by yourselves that our arguments in favour of a systematic approach of knowledge that we possess is effectively rewarding and has a special value for each of our experiences.

Key-words: *knowledge, change, information, data, meta-data, company, origination, hierarchy, non-hierarchical configurations, knowledge management, partnership inter-activity, ethics of legitimacy.*

INTRODUCTION

> "Knowledge management is a discipline that insures an integrated approach on the creation, collection, organisation and use of informational resources within a company and insures access to it. These resources contain structured data bases, text information, procedures and rules, but also tacit knowledge in the employees heads".
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> (*The Knowledge Management Scenario: Trends and Directions for 1998-2003, Gartner Group, 1999*).

For whom is this Handbook?

This handbook is published within framework of the **Initiative for Learning and Training (ILN)** a regionally based initiative, launched with the financial support of UNDP. The objective of this initiative is to initiate and crystallise a net of organisations aware of the exceptional role of knowledge management, interested in contributing and benefiting from the creation, management and dissemination of positive practices. The handbook has the scope to familiarise with the perspectives and techniques of the "knowledge" paradigm being combined with a series of action, reflection and planning instruments on the necessary steps to assimilate new knowledge adapting them to the specific changes in the society. The handbook describes coding, collection and management techniques of new knowledge in a structural manner and easy to be assimilated by those open to learning.

The Handbook does not "sell" miraculous solutions, thus, ideas and instruments described must be used creatively in the benefit of organisations and persons aware of the quick changes occurring in our lives and concerned to learn how to manage these changes using the information and resources to which they have access. We want to mention that in order to succeed in this initiative it is not sufficient just to talk about "the importance of the information". It is necessary to perceive these changes through some common concepts, of some techniques of measuring and channelling information, of positive practices and technological innovations. Knowing them presumes that the assimilation of modern values and perceptions and vision for the opening

towards the knowledge is a discovery and an individual choice. Knowledge management handbook is based and elaborated on the basis of some partnership relations with the aim to identify and spread positive practices within ILN initiative.

The Handbook approaches basic concepts and principles of knowledge management with the aim to assess a key series of positive practices and collective experience within ILN, describing the most recent ones as they appeared in Moldova, Ukraine and Belarus. From this perspective, the Handbook can serve as a guide for the interested public to explore relevant documents for knowledge sector, to identify other positive practices, key-actors and different manifestations of the knowledge process. Thus, it is possible that some "prone-to-theory" experts will consider the contents of this handbook too general, while some of tough managers may see our ideas as being too theoretical and having a pretentious visioning. We hope that true managers, regardless of their field of reference, private or public, business or non-commercial, find the conceptual field elaborated in this ideas linking with own ideas ready to be applied into practice.

Today, there is no sector , functions or elements of economy that are not affected by the qualitative changes related to the conditions of the informational society and the peak of this society is *studying, intellectual capital and innovation*. However, the raise of some distinct initiatives of encouraging "innovative practices" represent truly a new vision on the way in which good practices can determine the growth and the re-technologisation of our societies. It is evident that the appearance of new forms of economy and social organisation require the adoption and assimilation of new management standards and of some instruments and technologies capable to capitalise opportunities opened by the economy based on knowledge.

These and other ideas have served as essential premises for writing this handbook the ambitions being to join theory with practice building, thus, a framework of understanding the concept of "knowledge management" oriented towards the diversity of activities in which the change instrument may be applied. Our intention was to motivate the image of managers to participate in the creation of new forms of cooperative management, different from the taylorist model of industrial societies or the divisional model of Alfred P. Sloan.

We intended to set up conditions, techniques and contexts that may facilitate the assimilation of new knowledge. Good practices and innovations, creation of partnership based on "common visions" on knowledge so that new knowledge could "enlighten" the experience of other organisations, public or

private, business or non-commercial, at the local or regional level helping the authors of implementation to initiate different dialogues of public policies through academic circles, think tanks, resource centres, groups, professional organisations and other organisations. We will be glad to learn that we have reached our goal. We appreciate the suggestions received from the Alliance of NGOs working in the field of social issues and, in particular, the ones of Mrs. Jana Costache, Honorary Chair of the Alliance.

We would like to thank everyone who hase contributed to the writing and elaboration of this publication, first of all Mrs. Viera Slavicova, Regional coordinator of this initiative (UNDP-Bratislava), Aliona Niculitsa, National Coordinator from UNDP – Moldova, our colleagues from Moldova, Ukraine and Belarus for the time and precious suggestions for Chapter II.

I. KNOWLEDGE MANAGEMENT: CONCEPT DEFINITION

1. About knowledge and "knowledge economy"?

In a society heavily dependent on information, and on the proliferation of organisations (as an expression of demanded communication and complexity of social relations), **knowledge** seems to be the only power guaranteeing the social, economic and democratic progress that is not eroded by time. Orientation to the capturing and assimilation of knowledge is for the majority of organisations the proof in itself of a precise functional maturity conformed with the essence of the informational society it is linked to.

The need to manage knowledge represents a natural phenomenon as a result of some intense discussions regarding the role and the intensity of using process of intellectual capital in post-capitalistic societies. In this context, knowledge management comprises the identification and localisation of intellectual values in a specific organisation, generation of new knowledge with the aim to point out competitive advantages, integral access of corporate information, dissehination of positive practices and access to coding technologies and use of information.

As a rule, **knowledge** is defined as *a power to understand and surprise the essence of facts, use of certitudes and information* obtained in the form of experience or lessons. In the activity of such organisations, generic assigned processes are determinant through the word combination of those *"3 I"*, respectively *innovation* (growth of new knowledge), *instruction* (assimilation of new knowledge) and *partnership interactivity referring* to knowledge[1].

It is true that for a long time, it was thought that knowledge development is exclusively linked to philosophy or theoretical subjects, information containing being confused with data stocking or bibliographic resources. In fact, *information represents just an element of knowledge and it is not a synonym to veritable knowledge*. With the aim to point out this distinction we would like to mention that:

- Information refers to description, definition, placement in space of a subject (what?, who?, when?, where?)

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[1] Drucker, P. (1992) – The new society of organizations. *Harvard Business Review*, 70(5) : 95-104.

- Knowledge represents the strategy, practice, method or approach (how?)
- Understanding includes the principle, perspicacity or intuition, morale or arch-type of action (why?).

It is necessary in this context to bring some important clasifications. Organisational practice says that there is a symmetrical relation between data, information and knowledge. In order to illustrate this difference, we will quote a formula that became famous among IT specialists and that belonged to the data system engineers Lotus-IBM, according to which "in every corporation there is a circulation of data, information and knowledge".

Data represent formative facts of reality or values of some positive results. The relation between data and reality is as dynamic as misleading, building together a cumulative capacity of knowledge. Thus, we cannot know for sure the rate of currency even if we have the data from the last week and that is because we don not have the knowledge necessary to predict specific trends of this sector. In their corporative system, data represent information units with limited validity.

Unlike data, **information** contains aggregated data, or otherwise, semi-structured data that serve, for instance, as ground for decision taking.

At last, **knowledge** represents processed information having a long time existence, passes on ideas and occurs in a specific context that determines the sector of their effective use. Taking as fact that depositing does not represent a system of resource management, a bunch of information does not represent a system of knowledge management. As a rule, knowledge represents information packs produced as a result of individual experience, and probably due to this, knowledge is the most demanded product in a society where data and information exchange take place very quickly. Using a diagram built by Neil Flemming we can state that:

- A collection of data is not information;
- A collection of information is not knowledge;
- A collection of knowledge is not understanding;
- A collection of understandings over a fact is not the truth.

The pattern of relation between data, information and other relations represent a generic formative cycle of knowledge, but not knowledge in itself appearing only in a favourable context where some subjects learn new experience through knowledge. A valid aphorism of more nations says that "to know is to can". Equal to this expressive definition of the relation between information and action, we can affirm that for naming ***knowledge*** a certain amount of information it is necessary that this ***knowledge*** contains the following characteristics:

- to deliver an informative content (the idea and context of its use);
- to be of high relevance (knowledge must be necessarily "live knowledge" keeping the relative utility for a longer period of time);
- to represent a neutral content (meta-data usually represent a language in which we can transmit the best the characteristics of new knowledge)
- to be able to be replicated by repetition of data used by other persons.

To resume, we can say that **data** do not talk for themselves, but only when placed in an understandable context. What data predict is linked to the activity influencing them. From this point of view, building predictions represent building a new virtual reality, or "making a step into a possible future".

In order to predict the sales for a semester we first need imperatively to know the existing competence and the size of the market, supply of clients and products, client's level of satisfaction, production capacity, etc. To predict the tendencies of country economy it is not enough to analyse the economic cycle, it is necessary to have access to the analysis of economic policies, involved actors and possible risks.

Another example describing the existing connexions between simple information, data, knowledge and understanding may be illustrated by the relation between deposits, accumulation rate and bank commission.

Data: if we analyse two numbers, 100 and 5%, taken away from context then these numbers serve us nothing.

Knowledge: if I open a deposit in a bank, than these numbers might mean for instance that if I deposited 100 lei on my account, 5% would be the rate of interest guaranteed by the bank that would be calculated for a period of time to have my initial amount grown to 105 lei. This pattern of rationalisation of facts (data) with the reality represents a pattern of knowledge that evolves in time and results it produces. Understanding the modality my relation works with the bank, I become the holder of knowledge on the procedure of bank working process with its clients. Thus, I understand if I deposit more money on the bank account, I could earn more as the result of progressive accumulation, and if I withdraw them before maturity, I could lose the anticipated profit.

Experience: now, having obtained clear knowledge on the way I could become reach using a bank to increase our earnings, why are we not yet reach? In reality, the above described pattern represents just an initial stage of a pattern operating in time. Most people do not turn reach in this way because they do not keep their money in bank accounts or because they are compelled to withdraw their money before the maturity every time their needs have priority over the promised profit. Money withdrawal extinguishes the bank account and respectively decreases the profit they could have had.

Being a relatively new sector of management, **knowledge management** is based on process and resources management. Knowledge management envisages not only "production relations", but also the relation between people and their work results oriented towards creation, dissemination and evaluation of necessary knowledge for the realisation of development strategies. By inertia many public organisation and companies continued to support concepts and techniques out of practice.

A problem confronted by managing authority from many companies or organisations of the world is linked to the dilemma of not having the necessary information and having more irrelevant information this making decision process even more difficult. The symptoms of this problem can be observed through the exponential growth of information. Knowledge management can build the capacity of some actors of the society to approach in a more efficient way situations and crises occurring in the society. Without this management, each situation is addressed in an ad hoc basis, without keeping an innovative side of unfolded activities.

The process of acquiring knowledge presupposes the existence of informing sources and other sources from which, according to specific methodologies or techniques, one could get "raw" data-mining coding them according to some well established criteria.

Knowledge is distinct from simple *information,* but together knowledge and information represent *affirmative truth*. Knowledge is different from information by its declarative scope or the value of a recognised utility. Philosophers could describe this aspect of knowledge as being associated with **intentionality** qualifying "epistemology" – "science dealing with knowledge". But the main problem of epistemology – that of knowledge validity and limits – becomes a present concern not only in the philosophy field or organisation theory, but also in the one of concrete organisations, and in particular[2]; each of them elaborate and test continuously representation about the business environment, own mission and competences making them understandable for their members[3].

From the epistemological point of view, the need of understanding in its complexity of organisations based on knowledge has determined the application of dedicated metaphors. As an example of dedicated metaphor can serve

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[2] Von Krogh, Ross, Slocum, 1994: An essay on corporate epistemology. *Strategic Management Journal,* p. 53 – 71.

[3] Drucker, P. (1994) The theory of business. Harvard Business Review, 72(5) : 95-104.

the so-called "**brain-based organisation**"[4]. This metaphor transmits the essence of a self conscious organisation capable of assuming scopes and applies them in projects of new knowledge generation, elaborates and uses its creative knowledge stock affirming, thus, the importance of the concept over the action. Thepefore, an organisation based on knowledge dedicates a considerable part of its time and resources to test and elaborate systematically representations about its mission and competences, business environment and taken market shelf.

In reality, the economy of informational society or "economy based on knowledge" is a much personalised economy. Unlike the agricultural, industrial or pre-informational period, knowledge is no longer deposited in the owners of the productions process, but in "**informational carriers**", or the "information generators". The general success in the managing process of organisations does not depend on the hierarchical levels of commercial structures or public authorities, of an education institution or research and development company, but in the existence of an environment oriented to production of new knowledge inside the institution characterised by the talent and motivation to create new ideas to progress and assure it to be converted into distinct products and services to human community.

For most of organisations, the ability to create a sustainable future is directly linked to the way in which many of them are encouraged and develop intellectual abilities of the society. In their functioning organisations build their own state of knowledge; they confront themselves with the challenge to look for the modality to use what they already know, but also with the paradox that they are aware of what they know and what they do not know. Too often, employees of an institution or company are put in the situation "to invent the bicycle" because they need to produce a specific type of knowledge that is not accessible, when they need it the most. In speciality articles, there is an example of a company AT&T that paid 79.499 USD to obtain a piece of information from an informative document of technical aspect placed on its own site and that was offered to users at the price of only 13 USD[5].

The creation of intranets including data bases with positive practices, expertise directories or speciality article collection may solve out functioning problems within an organisation and is widely practiced in the world

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4 The brain-based organization. Management Review, 83(6) : 57-60.

5 Tangling with Intangibles, Charles Oppenheim, Information World Review, p.54, December 1995.

of international companies. Price Waterhouse is known for its sites that deconstruct the business process on categories and activity sectors facilitating training transfers and innovation from a group of consultants to another one in its world net of companies. But the problem of innovation cannot be solved out only through the creation of intranets or other public accessible resources for as long as generated services or products are not estimated at their appropriate value by employees. In this sense, the affirmation made by the former general executive director of Hewlett-Packard, Lewis Platt can be mentioned:

> *"If Hewlett-Packard was aware of what it knew, we could have become three times more profitable*[6]*".*

It is known the example of Jaguar Company that studied and coded the process in which its best engineers managed to have the design of a new car, so that to eliminate the useless phases reducing the assembling process of a new product from several weeks to several hours[7]. What Jaguar Company could have learned form its employees is called "meta-knowledge" – a synthesised knowledge, structured and oriented towards results improvement and multiplication of positive practices. This meta-knowledge represents an essential instrument helping companies and organisations to solve qualitatively the problem of knowledge "capturing" and "codifying" held by its employees. Thus, we learned that knowledge management needs a series of concrete instruments, practices that can amplify their efforts recording better organisational results.

Knowing represents the certitude of holding inter-connected data and details; separately it does not represent a value. Thus, **knowledge** defines a term whose perceptions depend on the context in which it is being used, but as a rule, is very much linked to a series of other instrumental concepts, such as: significance, information, training, communication, representation, learning and stimulants. This type of lack of knowledge encountered in individual subjects and in collective ones (groups, organisation group) can be incorporated typologically in several interdependent categories.

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6 Intellectual Capital: The New Wealth of Organizations, Thomas A.Stewart, 1997, p.135

7 Creating the Knowledge-based Business, David J.Skyrme and Debra M.Amidon, Business Intelligence (1977)

Knowledge management as a sub-discipline of the new concept of "knowledge economy" represents a new method of management that aims to transform the qualities of organisation staff into a competitive power superior relation to other similar organisations. Focusing on the utility of professional intellect in activities using individual and external knowledge, knowledge management confers a certain value to the organisation and individualises it. Overcoming simple collection and manipulation of data for obtaining information, the process of knowledge management refers to the acquisition, creation, stocking and use or re-use of knowledge, its fundamental object being use of knowledge resources of the organisation to give it the possibility to learn and adapt to its environment in change[8].

However, we cannot deny that the assimilation of knowledge management techniques within institutions and companies open for this process a "hot-topic", "en vogue"[9]. So much has been said about the importance of knowledge management that many of public organisation leaders and companies' managers are reluctant to recognise their lack of knowledge. The problem still remains because each of them understands the term "knowledge management" in its own way. On the other side, there is the opinion that all companies, to an extant, try to administer their knowledge even though they may call it differently.

The development of service economy is a long term trend in the industrial society. In most of western societies, most of employees are concentrated on market services. Services are main source of GDP, and this fact can be noticed on the example of businesses linked to mass-media, pharmaceutical industry, higher technologies (including Internet) and other professional services reflecting a growing tendency several times higher than traditional industry. It is estimated that around 70% of values produced within these companies are linked to information or knowledge, thus, closed circuits of manufacture production retain most of employees that could be qualified as "cheap labour force". Another argument may be the one related to the existing differences between Market value and detained capital values of some international companies estimated at 10 or 20 times in the benefit of market price. Differences are, as usual, attributed to the intellectual capital that includes intangible properties such as: brand, patent, copyright, and other forms or intellectual property or know how.

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8 Thomas H. Davenport, Laurence Prusak, Op. cit., p. 114.

9 Dr David Skyrme, Knowledge Management: Making it Work, www.skyrme.com/pubs

We cannot omit in this analysis the rapid growth of markets related to new knowledge values. Thus, the evidence of traders with intangible assets including brokers, traders and other professions managing different derivative financial components make out of business a knowledge economy in which new products are the results of innovation and talent of human imagination. In the end, global extension of internet facilitates growth of these markets because they represent an instrument of intellectual and admiration resources on intangible assets (electronic payments, innovation). The domination of service and sector companies is sufficient for some to name this type of economy "service economy". Others underline that in all services the most important is the managing principle, added value being formed of design, marketing, and not by the production process itself. The proportion of staff fulfilling operatively more physical work has increased, they invest resources for obtaining new inputs from business services than raw material suppliers; this is another element of service economy.

Knowledge-intensive business services offer critical inputs on the organisation of these sectors. Even activities as R&D (Research & Development) are often contracted to some specialised services because it is important that organisations help each other assimilate new technologies, correspond to some changed in regulations. We may see a change in the philosophy of corporate management that supports other smaller companies to look for more service functions and sub-contractors. This type of service economy implies changes in the relation between business and consumers (a big accent is put on the relation with the client and the transfer to products combining entertainment with experience), increase of demands related to specialised knowledge (need of experts) that conditions changes in labour nature (white collars and professional work, a greater interpersonal interaction), changes in life style (substituting traditional services). The main idea of this is that information, knowledge and wit are not just a collection, they are more than a sum of parts and have a synergy of their own, which shapes the speed of economic development.

It is natural, in this context, to raise the question: in the situation where the value of progress is in the heads of those who generate it, what are the means that we could get these values transforming them into corporate knowledge easy to assimilate and exploit for the sake of progress? A possible answer could be: the greater the knowledge of people are codified under the form of documents and data bases for their wide dissemination or through the appearance of a new environment in which knowledge generators can contribute through

interaction and communication to the multiplication of positive practices, the bigger their merits are recognised and rewarded. This activity is what we call today – knowledge management techniques – a difficult sector in which many organisations try to increase their productivity, rendered services to clients, business process and quality of products/services.

2. Classification of types of knowledge

Knowledge represents a concept attracting many discussions and controversies. The information is formed of organised data, while knowledge is the ability to use the information in an effective way giving sense to cognitive structures that guide the action. To know means to can, knowledge represents a lived experience that may lead to repeated results.

To be able to understand them, knowledge is classified in more distinct types. Thus knowledge may be: (1) **tacit** or **explicit**; (2) **factual** or **deductive**. We shall try to define each of these types of knowledge in a separate way.

Factual knowledge has its name as a result of a direct and contemplative observation. It is not issued completely by certain incertitude or contradictions, errors of observation or interpretation that may survey as a result of optical illusions or imagination of the observer.

Deductive knowledge is based on rationalisation of facts or studying other similar previous knowledge, an example in this sense being the theories. Such knowledge may or may not be controlled through observation or testing. For instance, all our knowledge on atoms are of deductive nature. The existing distinction between the factual and deductive knowledge was largely elaborated by semantics.

Tacit knowledge — hard to formalise knowledge; intuitive knowledge, perceptions, opinion, this constituting around 80% of all the knowledge of a society. This knowledge remains deposited at the level of individual members of your company, even when company employees decide to leave the company or the organisation.

Among famous writers of knowledge theory[10], Polanyi makes a clear distinction between tacit or codified knowledge and the explicit or formalised one, comparing tacit knowledge with bicycle riding - an effort that cannot be described but practiced, and knowledge formalised in texts – codified through interpretations on reality. In his fundamental work "The Tacit Dimension", he writes that every attempt to systematise knowledge must come from the fact that "we can know more than we can express", naming this phenomenon pre-logic phase of understanding tacit knowledge.

Explicit knowledge – knowledge maintained in reports, letters, communications, knowledge that can be documented, illustrated in different documents. Around 20% of knowledge of a company can be formalised.

There are authors who say that information is what can be codified, knowledge is what is possessed by agents – knower. It is recognised that big organisations know many things, but often they have no clue of what they know. The need to elaborate an efficient technique to capture, codify, elaborate and assimilate knowledge is kept in the well-known fact that:

- People possess knowledge, but do not distribute it in their environment;
- We do not know what our knowledgeis;
- We do not know who and what is dealing with;
- There is a big loss of positive experience;
- We can notice a potential and major reserve for optimal decision taking.

The process of acquiring knowledge presupposes the existence of information sources and other sources from which, according to specific methodology or techniques, one may obtain "raw" data choosing and assembling them according to established criteria. Some of the criteria produced by Hedlund (1994) are mentioned below.

[10] Michael Polanyi and Harry Prosch (1975), Meaning, Chicago, University of Chicago Press

Typology of forms of organisational knowledge

Forms of organisational knowledge	Level of manifestation of organisational behaviour		
	Individual	Group	Organisation
Articulated knowledge (explicit)	- professional qualifications - permanent memories	- projects - cooperation rules	- organisational structure - working norms and procedures - information and knowledge collection
Implicit knowledge (tacit)	- professional experience - informing dimension of organisation functioning	- common representations - cognitive papers	- values of organisational culture - "body spirit"

The amount of tacit knowledge (knowledge that an individual does not perceive or perceives but cannot express it) is always more diverse than the amount of explicit knowledge. But even when a person takes note of some personal information, it may not have a useful value for some one else if the latter does not have access to the experience from which relative knowledge derives.

It is evident that the attraction and formalisation of knowledge in form of documentation is a better solution for facilitating the flow of knowledge. Grounding on knowledge makes the action of an organisation present and active for new specific strategic aims that determine:

- To present integrally and transparent explicit and implicit knowledge accumulation at individual, group levels or artificial supports;
- To extend continuously knowledge base through the stimulation of process of learning and organisational innovation and through the capitalisation of results;
- To build the capacity to transform intelligent and appropriate the available knowledge into successful actions;
- To be aware and manage own ignorance (Zack, 1999).

Matrix of knowledge deficiency

	The subject knows	The subject does not know
The subject knows	Knowledge the subject knows to possess (explicit knowledge)	Knowledge the subject is aware of not possessing (known deficiency)
The subject does not know	Knowledge the subject does not know to possess (implicit knowledge)	Knowledge the subject is not aware of possessing (ignored deficiency)

Knowledge management instruments — the set of technological decisions necessary to identify, stock, transmit, structure, process, share and unfold other operations on knowledge and information, the set of methods and organisational decisions that allow to insure the efficient exchange of knowledge and information.

Knowledge Sharing is the process of knowledge circulation within a specific community. The process of disseminating the knowledge is assured through different means according to certain rules and procedures with the help of technological solutions or organisational methods. As a general rule, the promotion of this development is conformed to the society principles of knowledge, through the selective application of the regime of good intellectual public (with free access), that became informational content for virtual communities:

- Availability of new concepts and solutions on dedicated portals or Internet sites, with virtual archives and informational programs libraries in demo or trial versions;
- Maintaining virtual dictionaries with the aim to unify the specific field language (for instance, www.bus.utexas.edu/kman);
- Creation of forums (for instance, www.km-forum.org), logs in Internet and personal sites of educational programs of participants involved in sector development;
- Accreditation of educational programs (including virtual ones) for the development of knowledge management competences (for example, The Knowledge Management Professional Society - www.kmpro.org);
- Starting partnerships and international projects for concentrating the actions of different centres in the world with concerns in knowledge management, innovation and organisational learning sectors; for example, the European project MACIS (www.hellasnet.gr/macis) offers the study of the impact of informational society on organisations and the appropriate redrafting of disciplines curriculum from higher management education.

Among many initiatives that occurred in this innovation area we shall mention the example of the World Bank to set up "knowledge bases" to promote positive practice and some of the development patterns of economic performances. In the associative action plan initiatives of associative type predominate aiming at building organisations open to individual and institutional participation. We shall mention in this category: the project of the European Consortium for the Learning Organization - www.eclo.org, Federation for Enterprise Knowledge Development – www.fend.es, Global Knowledge Economics Council (www.gkec.org) etc.

The example of the World Bank was taken over by many international organisations such as UNDP regarding the setting and dissemination of positive practices in the societies in transition (Information and Learning Network – www.iln-best.org), that is on the list of Millennium Goals "Agenda-2015" issued under the auspices of UN and aims at collecting, codifying and sharing different innovative practices on regional and sub-regional level, and, in particular, in Moldova, Ukraine and Belarus.

At the level of the European Union, most relevant initiatives are subsummed to the motto "the Europe of innovations" priority being addressed to universities and companies; the European Commission acquires the role of event organiser such as the conference-exhibition "KM Europe" (www.kmeurope.com) at its 2nd annual edition, or the role of observer and evaluator of tendencies and results recorded in the European area that are made publicly. One can observe a semantic proliferation of the term "knowledge management" from one organisation to another one.

APEC: knowledge based economy is an economy in which the production, distribution and use of knowledge represent the engine generating growth, prosperity and labour force employment in industrial sectors.

OECD: it is present where the knowledge investments are defined as public and private expenses in higher education, research and development (R&D) and software investments.

UNESCO: ... an economy in which knowledge substitutes the labour force as the most important factor of production.

World Bank: ... rather an economy of ideas than of physical abilities and technologies application or raw material or cheap labour force exploitation; an economy using effectively knowledge for its exponential development.

It can be stated that the activity of European forums gives priority to the role of informational technologies and communication of intelligent assistance in education, innovation and knowledge management supporting the extended adoption of best practices with a special attention to medium and small enterprises. The world rapid dynamics of ideas on organisation based on knowledge, although positive under the possible applications, is, however, considered by abundance and diversity almost confusing, but their needing systematisation is still to be waited[11].

[11] Hendriks, P.H.J. (1999) – Do smarter systems make for smarter organizations? *Decision Support Systems*, 197-211.

Areas of general application of knowledge management are: *management of changes*, *positive practice, risk management and evaluation of performance indicators*. For the organisations willing to increase their performance it is necessary to base on specific activities of knowledge management as it follows:

Knowing the clients. Almost every market research uses different ratings of companies or services preferred by the potential clients this representing a vital instrument of market knowledge. Most of organisations know insufficient or almost nothing about their clients or do too little to integrate what they know in the operational plans they follow.

Knowledge of process. A single activity most of the time may evolve as a process, and when we try to codify the experience it filters considerable parts of tacit knowledge belonging to experts. This happens because most of organisations are not aware that they work in a process thinking that each situation is unique in its way. Thus, codifying instruments must sum up not only the procedural level, but also other additional resources to know the reasons, origins, sources of inspiration for different positive practices and processing of tacit and explicit information.

Knowledge is human. More than 90% of professional services of organisations represent human relations, thus, the quality of employees is crucial for any organisation. Many employees think that only due to their knowledge, this makes them get "separated with difficulty" from knowledge they have generated, fact that creates an important problem of organisational culture and behaviour in which there is the need of interactive games, change of roles, etc. An important part of knowledge management is related to the environment and culture of favourable changes of ideas and positive practices. Clear understanding of reasons mobilise people for professional development, rewarding them for their effort, represents the most important investment in organisation development.

Organisation memory. We shall repeat what we have mentioned in previous chapter: most of organisations do not know what they already know because what these organisations have already accumulated was not registered nor deposited in time under no form. From this perspective, knowledge management should start in their case with valuable knowledge capturing in a systematic and punctual way, but it should not be forgotten the register of decision making, reports of different planning meetings. We shall mention AAR (After Action Review – "post-action analysis" that represens a technique initially elaborated by the Army of the USA to draw conclusions after a battle starting from the hypothesis that live impressions and emotions lived by

the participants have seriously stimulated the employment and motivation for a lucid analysis of evaluated facts. This type of analysis represents in fact a structured session that addresses many questions*: what should have happened? What actually happened? What went wrong and what went right? What are the conclusions to be drawn for the future?* As a derivative for these post-action analyses serves "knowledge update" having different memories, reports or analytical notes that are the objects of a more in-depth analysis on subjects of interest.

Knowledge value. An old saying says: "what one can measure, one can control". Very often we are witnessing very funny situations: many organisations delegate auditors and controllers with the aim to evaluate their estate or other physical properties or financial transactions, but few are tended to measure with the same motivation and energy their own intangible values – knowledge possessed by these organisations employees. The traditional approach is to measure four categories of intellectual capital: *human capital* (know how, level of skills ad abilities or experience), *clients' capital* (number and type of clients, value of business), *structured capital* (data base, process, and infrastructure) and *intellectual capital* (image value, design, copyright, capital indicators necessary to establish management objectives and create new intangible values).

An increased efficiency and successful observation may arise form the use of own instruments of knowledge management, this area may open to organisations the path to a new competitive level, to performance; it has made knowledge management become a concept – a key for the development of organisations, a strategic issue in present. Concentrating on the use of professional intellect in activities using individual and external knowledge, knowledge management offers value to organisations and increases their individual value. Overcoming simple collection and manipulation of data for obtaining information, knowledge management process refers to the acquisition, creation, stocking and application or re-use of knowledge, its fundamental object being capitalisation of knowledge resources and organisation's knowledge resources to give it the possibility to learn and adapt to its changing environment[12].

[12] See Thomas H. Davenport, Laurence Prusak, Op. cit., p. 114.

3. Knowledge management as instrument of social change

Knowledge management represents today a very vast area that cannot be approached easily. In a relatively short time, this emerging area of public interest has been invaded by hundreds of books, thousands of new sites have been opened, creating a formidable informational chaos. These changes have generated deep transformations of the modality in which knowledge appears, the way it is created, collected, integrated, combine, manipulated, improved and directed. This supports the growth of efficiency and knowledge units' efficiency for social and economic growth up to the level where this factor becomes the essential element of the production of added value and of the prosperity per ensemble of the world economy.

Intelligence and creation, innovative ideas and rapidity of information tide represent a competitive advantage not to be neglected.

It is true that each society has always been a "knowledge society" in its own way because, formal or informal, the progress of civilisations was between technological competitions, cultures reached with different forms and degrees of knowledge that contributed decisively at the placement of these societies on a specific step of social and economic development, but a distinct characteristic of societies based on knowledge and information is linked to the importance of change management - a category that includes planning component of change and change management, as it follows:

Change planning. Change planning represents a process that identifies the degree of risks associated with a change and that insures the necessary elements for the planned change to be successful. Change planning means the identification of necessary facilities, requested budgets, human resources, necessary documents as well as the analysis of technical aspects of the change and change process. In this regard, organisations can wish to elaborate documentation on planning, detailed procedures of implementation, testing and validating procedures of change. The level of planning is, as a rule, direct with the level of risks related to change.

Change management. Change management represents a process that approves and drafts change to insure the impact and notice of change.

Knowledge becomes more valuable on the degree when it is placed in an adequate context even if their update and elaboration represent a more expensive effort. We could say that knowledge management is meant to insure that

the correct information riches the people that need it to take good decisions. Among the most popular practice activities of knowledge management we can mention:

- Creation of data base formed of: positive practice, expert directors, clients profile, market evolutions, organisation process, legislative change, business stories etc;
- Knowledge mapping – structuring and organisation of information depending on the logic/informative tree or specialised database;
- Setting up a team for collecting new knowledge, a good team includes more reference disciplines, including information managers/bibliographers, IT, intranet specialists and other knowledge instruments (documents management, information catalogue), human resources specialists, facilitators;
- Active management of knowledge process – collection, classification, stocking and dissemination of knowledge;
- Development of some "knowledge" centres[13] – resource centres for sharing and spreading positive practices necessary for the growth of possessed knowledge ratio;
- Sites based on "knowledge management" including expert nets collaborating between them and associated organisations to extend their functional and geographical views of knowledge;
- Installation of collaborative technologies: intranet or groupware for growing the access to information including through the interpersonal communication;
- Appointing a responsible person to administer the knowledge initiative. It is known the practice to appoint a responsible person within a big organisation named Chief Knowledge Officer[14], while in small companies this person could be named from the administration council.

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[13] Resource centre represent according to the definition of Booz Allen & Hamilton, "a contact centre for collecting, structuring, and share of information. As a rule, a specialised centre in "knowledge management" is responsible for the identification of relevant knowledge sources, inside and outside the country; catalogue and index the material to facilitate the transmission to the interested auditorium; maintain and keep a resource registry: assures the easy and rapid access (one stop shop) for different needs of information; has a list of : knowledge generators" that may serve a reference or information sources for the interested auditorium; administers an expertise service and consulting on consulted sources, relevance, quality and utility (din The Knowledge Ecology Fair, www.trendmonitor.com),

[14] Do You need a CKO? Insight No.27, www.skyrme.com

The most popular definition given to knowledge management is "the process of capturing and dissemination of collective or individual experience that fulfils the mission". Although, the definition contains the risks that the technique of collecting knowledge attracts on its side the most important part of the system – *the systemic change*. The definition used by OECD in a report in 1996 on economies based on knowledge includes:

> *"Economies based on production, distribution and use of knowledge and information…was reflected in the general tendencies of OECD economies oriented to the growth of high-technology investments, high-technology industries, big potential and productivity labour force."*
>
> *Although, knowledge has been, since long time, a constant factor of economic growth, new ways of incorporating directly knowledge and technology in the new theories and methods are being searched".*
>
> *"The theory of economic growth reflects the attempt to understand the role of knowledge and technologies in the rapid growth of labour productivity and economic growth rhythms. Research and development, education and training investments together with the growth of management structures are essential."*
>
> "*It is necessary to have a series of indicators to evaluate new stocks and flows of knowledge linked especially by the spread of informational technologies, including in productions sectors and services, the obtained benefis on the results of investments in knowledge, functioning of networks of creating and sharing of knowledge, innovation system through knowledge, development and capacity of human capital*".

Often knowledge management is viewed as a library in which the overall information can be found on a specific subject, but also knowledge handled by the authors of this expertise. Thus, the ambition to consider the strategic sector of knowledge a better management can be defined as an addressing, strategically oriented by motivation and facilitate employment of members in developing organisations and use their cognitive capacities through the capitalisation of subordinated objectives per ensemble, information sources, experience and their abilities (Uit Beijerse, 1999). In this regard, we could say that Knowledge Management follows generally:

- To optimise the adoption process of decisions;
- To reintegrate corporative experience;
- To grow the number of innovations;

- To transform information into knowledge;
- To obtain new knowledge.

Knowledge management appears as a special issue because organisations look to apply their formal techniques and information systems to make their resources accessible and used more efficiently (insurance systems with resources from the private sector) and techniques of expertise (development of human resources, cooperation systems, and creation of group capacities). In the organisational environment knowledge comes from transformed information by those who possess it into efficient action capacity through the assimilation and integration of understanding followed by operating in fixed contexts.

Knowledge management is a relatively recent phenomenon in its area of applicability but it appeared because of growing interest of the conventional format/traditional in management of the valuable expertise. A lot of organisations have discovered at the beginning of the last decade that they do not manage to keep up with the rhythm of problems complexity on their business agenda. Managers cannot simply continue doing what they knew and were used to in the hierarchical environment but for doing what they needed it was necessary to have access to knowledge and new assimilation competence. Knowledge transmission through consecutive "transfers" was essential for the concept of "technologic society" in which we presently live.

Short historical data:

At the end of the XXth century when the paradigm of organisational theory was changed, the limits of hierarchy became clear as well as the pertinences of the alternative represented by organisation based on knowledge. The last decade of the XXth century was marked by the production of convergences between the technological perspective and the managing one, the binding of the needs of organisations and facilities of informational solutions assistance. (Scott, 1998). After 1995 there appeared first significant results in the creation and functioning of organisations based on knowledge.

The concept of organisations based on knowledge has its origin in 1984-1988 and registered since then successive phases of crystallisation. Everything started in the '80 of the last century when many trans-national companies confronted themselves with serious problems of communication and articulation of the complexity of their tasks in the institutional development.

Managers could not any more continue doing what they knew and got used to in their hierarchical environment, and for doing what they wanted they needed new knowledge; knowledge as resource and organisational process requests a type of dedicated managing intervention imposing officially and professionally for those who have vocation.

Thus, Huber (1984) has put in front of him specific problems linked to the "post-industrial" nature and projection of organisations seeing the need of a new pattern of organisational social type succeeding the industrial one. The managerial approach represented expressively by Drucker (1988) treats companies based on information as a unique pattern of specific organisational model of the XXth century.

Some years later, the idea of organisation based on knowledge is founding some other two approaches that explain the determinism starting from two factors, technological or organisational, each of them suggesting specific solutions of operating. These new ideas in the perceiving of managing model of organisations emerged form the real need not to be ignored.

The term "knowledge management" entered the public vocabulary in the end of the '80. In 1989, a Consortium from the USA launched the initiative to evaluate the knowledge values starting a true campaign of specialised magazine (Sloan Management Review, Organiyational Science, Harvard Business Review), accompanied by famous monographies: *The Fifth Discipline*, by Senge and *The Knowledge Value Revolution*, by Sakaiya. In 1991, Tom Stewart debuts with a crucial article for the development of the sector "*Brainpower*", published in the magazine "*Fortune*", while very famous Japanese authors, Ikujiro Nonaka and Hirotaka Takeuchi updated this debate in Japan with their articles "*The Knowledge Creating Company: How Japanese Companies Create the Dynanmics of Innovation*".

In 1995, the interest for knowledge management increased as a result of the creation of trans-national networks of companies, with their headquarters in Europe– *The International Knowledge Management Network (IKMN)* and *Knowledge Management Forum,* established in the USA. After 1995, this sector became more and more popular and attractive than systems related to TQM (Total Quality Management), became obsolete. In addition, the promoted method through Knowledge management became a business field extremely generous for companies with international reputation, such as: Ernst & Young, Arthur Andersen, Booz Allen & Hamilton, etc.

After 1995 the sector of knowledge management has known a sudden change. A pleiade of authors has built step by step a true structure of mod-

ern knowledge. Amongst these we can mention Tom Stewart (Intellectual Capital)[15], Karl Eric Sveiby (The New Organizational Wealth)[16], Verna Alle (The Knowledge Revolution)[17], without forgetting the essential contribution of Arthur Andersen (The Knowledge Creating Company and Knowledge Imperative Symposium).

Many theoreticians of organisational management have tried to answer to this defiance linked to the nature and projection of "post-industrial" organisations feeling the need of an organisational pattern adequate to the new type of society different from the pattern of an industrial society[18]. The new approaches that came to help tried to produce a series of instruments designed to insure a more efficient communication and more adequate information within and between different teams of the same organisation. This new type of intervention in organisation functioning (regardless of their private or public nature) became a component part of the organisation system, integrated element in functioning structure, imposing a formality and professionalism of getting, codifying and articulating new knowledge and excellence being reserved for the ones with vocation.

Competition in nowadays needs a different knowledge qualitatively different as resources and organisational this requesting a different type of managerial intervention. The prestige and authority of individuals well educated with white collars has progressively grown during the last century, new disciplines offering to train the population on how to take care of their health and administer their household.

The process of *capitalising intellectual assets* is associated with the concept of *basic knowledge* used in an extended meaning in regard to information. Knowledge management has developed on the basis of the most valuable element of development – collective expertise of employees and partners in a human society. An effective management of knowledge includes:

- The organisation of knowledge exchange within a company's staff oriented towards the optimisation of business process;

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[15] Intellectual Capital: The New Wealth of Organizations, Thomas A.Stewart, Doubleday (1997)

[16] The New Organizational Wealth: Managing and Measuring Intangible Assets, Karl Erik Sveiby, Berrett Koehler (1977)

[17] The Knowledge Evolution: Expanding Organizational Intelligence, Verna Alle, Butterworth+Heinemann (1977)

[18] Huber, G. (1984) : The nature and design of post-industrial organization. *Management Science,*p. 928-951.

- The identification of information on specific knowledge previously possessed;
- The identification of "black spots";
- The inclusion of automatic and navigation means, data bases, filters, data mining for the organisation of knowledge exchange.

For the increase of these actions efficiency it is needed to create new platforms for the collection and codification of information, that have their own power so that the one who can manage human knowledge can manage the world. Despite the sententious tone, the affirmation is very much in line with the generical value of the knowledge on the world markets. Thus, we conclude that an efficient management of knowledge must include the above mentioned phases.

One of the famous authors of knowledge management, Karl-Erik Sveibe, affirms that: "Shared knowledge is multiplied knowledge where added value is being produced". Value creation is determined by the explicit or tacit transfer of information between individuals and conversion of knowledge from a type to the other one. Since knowledge cannot be managed as primitive means of production, the strategy aims to make activities possible and not to command or control knowledge-generaling activites.

There are at least six types of *knowledge transfer*:

1. **Knowledge transfer within external structure.** The goal of this type of knowledge exchange acceleration is to grow the quality of cooperation between clients, suppliers and other partners to increase their competence. Among activities included within this type of transfer: setting up corporative partnerships and alliances, improvement of company image, improvement of offer quality, organisation of seminars–product and forming programs of users.
2. **Knowledge transfer from individual to external structures.** This type of knowledge is used for the cultivation of the offer for the clients of a specific company improving the competence of clients, suppliers and other partners. Within this transfer, employees help clients to learn everything about the products, to accomplish the rotation of professionals, to have seminar-products and educate their clients.
3. **Knowledge transfer from external structures to individuals.** This type of knowledge presupposes the growth of professionalism of employees to consolidate with performances standards of certain services. Amongst mentioned activities in this type of knowledge, we can

mention: creation and maintenance of good relations between employees of an organisation and the ones outside the organisation.

4. **Knowledge transfer between individuals.** In any organisation, there are significant differences of knowledge objectively structured and due to unequal distribution of authority and competence. In order to overcome the factors that may diminish communication quality and individual contributions, knowledge management is applied in this case to facilitate the competence transfer between organisation members stimulating trust, team work and staff and role rotation.
5. **Knowledge transfer from individual to the internal structure.** This knowledge transfer may help in the transformation of information and individual abilities into recommendations of change/modification of the existing system identifying the instruments and process to update the institution. Applying new technologies, technological and informational systems adjusted to the specificity of an organisation implies important effort of individual assimilation.
6. **Knowledge transfer from the internal structure to individual:** in this specific case, individuals of an organisation are assisted to increase their professional competence through different forms of active learning, stimulation of risks situations, setting up connected networks of interactive, distance learning and e-learning etc.

Each of these knowledge transfer may exist in any type of organisation, but only in some rare cases these types of transfer are satisfactory coordinated under the form of coherent strategy to eliminate contradictions. Thus, we come to the conclusion that investments done for the installation of new informational systems very modern are useless if the internal climate of organisation tolerates disloyal competition or if this competition does not serve the internal culture of mutual help and knowledge sharing. But, what it does mean – an innovation? What are the typical features that influences us to beleive that some activites are better than others? Some elements for a difinitory list of innovation traits are provided below as a matrix:

Even if every sector has its specificity, in practice analysis we shall start from the following criteria:

Do you want to know if a practice is positive? Answer the following questions:

A positive practice can be considered "a successful story" having fulfilled these criteria!

Innovation or creativity?

What is so special in the link with the respective practice from the point of view of undertaken actions? How can this practice present a potential interest for the organisation/persons willing to initiate activities in the same sector?

Multiplication

Is this a practice to be applied in other situations and places? To be useful for others, it is not necessary that practice is "copied", just some elements of practice can be useful for other programs.

Sustainability

Is it possible that the practice or its benefits continue to be efficient in a way for a medium or long term?

Collaboration / partnership

Who were the involved actors in the realisation of positive practice? Where all decision factors of this area/place? Has this practice generated new implementation partnerships?

Relevance

How this practice gets involved in the sector it is part of? How is this practice integrated/ what are the implications of this practice at the local, national or regional level? What is the degree in which it complements existing development strategies at the national level?

Efficiency / impact

What are the proofs that this practice was successful? Is it possible that the impact of this practice is measured, to an extent, by a formal program of evaluation or through other methods?

Efficiency and implementation

Where resource used to increase the impact of this practice (human, financial and material)? What is the relation between these resources and practice impact?

Respectively, the lack of standards and specific ruless reduces the value of documentation systems, and data bases shall not improve the capacity of

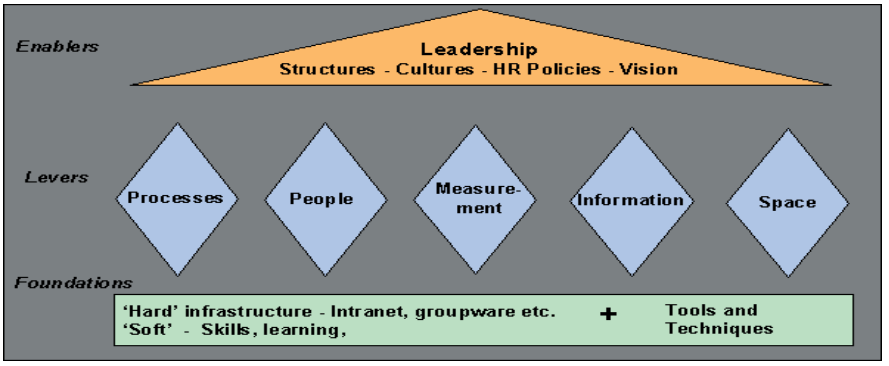
employees if they are not interactive. Examining the necessary elements for the consolidation of a society based on knowledge and the way, in which this society distributes and uses knowledge in supporting the economic growth, we have identified a series of factors that had determined the success of some societies in comparison with others that failed. Among these factors we can mention:

- **Human capital** – the most important part of knowledge, prescriptive or affirmative and requesting big investments in assimilation capacity. In countries where knowledge is not rooted through the systems established by secondary and higher education, knowledge may be important for foreign knowledge holders possessing this capital. Many of poor countries have admirable institutions of public educations but their graduates must migrate since State policies are insufficient flexible to integrate them within the national economy. Thus Governments have an essential role in establishing crystallisation policies of national knowledge so that simultaneously with investments in estate, knowledge may not be based only on the rules of market economy, respectively Governments should invest in the infrastructure of new knowledge spread and creation of necessary conditions for their creation and transfer, thus ensuring the platform for a satisfactory reproduction of knowledge.
- **Physical capital** – technology is knowledge, because no musician could have learned the playing art of piano in the absence of a piano, thus equipment and knowledge are usually complementary and if this type of equipment is too expensive for a society, it is very unlikely that there is space for knowledge. We cannot avoid mentioning the quality of institutions that set up the rules for the acquisition or non-acquisition of certain equipment for their countries. It is said that a very poor country cannot request scholarships for subjects that cannot be further on elaborated due to lack of funds for the acquisition of equipment.
- **Inefficient policies** – the way in which institutions work affects economy and nations spirit becoming an obstacle in the knowledge path. Governments must permanently invest in knowledge infrastructure (libraries, communication networks, centres of public policies), insuring necessary conditions for the transfer and generation of knowledge. Knowledge spread needs the demand to study, follow and imitate. The gap between poor and rich countries is explained by the lack of ad-

equate institutions and the access to knowledge and training.

- **Knowledge and competence** – additional to human capital (build up through education), competence or know how necessary to apply a technique is essential for a society based on knowledge and transfers of technologies. The competence allows the specialisation in knowledge. There is of course the problem of costs (from the perspective of an individual) towards knowledge. The cultural factor plays a very important role. Many authors explain the sudden change of Japan after the Meiji revolution as a crucial moment that infused the Japanese society with the thirst to assimilate, imitate and produce technology, fact that did not occur in China in the same period. Other factors deal with the existence of a political liberal regime where individual liberties are not hindered and Governments are responsible and open for communication with the society and the international community.

We could represent these components of knowledge management in an organisation in a graphic way used by David Skyrme in his effort to identify success factors.



- It is evident that competent management of knowledge needs leaders and a vision promoted by superior management of the organisation;
- This activity must be linked with benefits drawing showing the success of reputation as a result of new techniques development;
- Collection and codification of knowledge must be a systematic process that includes the efficient management of resources;

- Creation of a favourable environment through the crystallisation of a new "knowledge dissemination" culture through consultants and employed teams that cooperate besides their primary responsibilities;
- Continuous training – by means of pilot projects and connected networks;
- Creation of an information and communication infrastructure, including the application of collaborative techniques (intranet).

4. About organisations based on knowledge

The growth of a world service economy is one of the basic characteristics of the post-industrial societies. Most employees of the Western companies are concentrated in the service sector; this being the source of GDP in these countries. The domination of service companies is a satisfactory argument for a number of reputed world economists to call this type of economy "service economy", an equivalent for "informational society" underlying that the principle of management represents the added value for these services (design, marketing, information) and not the production process itself.

The ratio of staff fulfilling operatively more services than physical production has grown. They spend more resources for obtaining new inputs from business services than suppliers of raw material; this fact is an element of the service economy. *Knowledge-intensive business service* can supply directions and methods very useful for the organisation of these sectors. Even activities such as technological research (R&D) and business incubators apply very often for specialised services helping them to articulate the needs of technological improvement of the activity process, to assimilate new technologies or institutional amendments.

We can easily notice a change in the philosophy of corporate management that supports the search of smaller and more active companies looking for more services and sub-contractors. This type of service economy implies changes in the relation between business and consumption (a bigger accent is put on the relation client and transfer to products combining entertainment with experience), increase of requests related to specialised knowledge (need of experts) conditioning changes in the nature of things (white collars, and professional labour, a bigger interpersonal interaction) changes in life style (substitution of traditional services).

Actually, the vision that the concept of "society based on knowledge" is based on the role of the individual as a social active subject that plays different roles simultaneously: actor, participant, interlocutor, mediator and decider. Systems based on knowledge must maintain these roles, optimising the human capacity with existing technical facilities. In relation to this, we must mention that the development of such a society re-discovers the individual, but also the principle of subsidiary, transferring knowledge, science and technologies closer to the population increasing the quality and adequacy of existing resources, reinforcing local capacities for capturing and interpreting some new forms in a national specific context. This process supports the democratic dialogue in the society, creates sub-national networks designed to support knowledge and action transfers representing, thus, a source of social power.

The competence on international markets determines companies to wish they were at least one step ahead their competitors, to be more intelligent insuring that they use all resources they have, using the most relevant, insignificant competitive advantages. We shall present an example with computers: their role has changed in the last decades: from an instrument exclusively for calculations (data processor) to communication means (e-mail, Internet), during last years computer being viewed as an element of the new cognitive era. And all this is due to the fact that computers do not play anymore the role of instruments, but they have conceptual one, helping people to assimilate easier knowledge process and modern concepts. However competers can integrate the most of 10%-30% of necessary knowledge to manage an organization, the rest being formed of tacit knowledge and rational calculation of people. This tacit knowledge becomes more important as business environment is more dynamic and having to respond to flexible reactions.

Only in last decade, big companies started to learn to be more efficient on the basis of structuring resources and internal data. In the past, internal reports were done only for the scope of understanding business environment, clients' preferences, suppliers' demands and other actors' opinion. Tacit and strategic decisions were taken only on the basis of information requested from reference data bases, different personal experience and reporting systems that presented around 20% of the informational capital of a company[19]. The other 80% of veridical information rests spread between different actors of company, non-documented management systems, filing and internal messaging systems, reports on performance and other stocked documents.

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[19] Jay Wair, Best Practices in Enterprise Knowledge Management, Vol. IV, A Supplement to KM World, November/December 2004, Volume 13, Issue 10

The defective data and information management system possessed by companies is due, as a rule, to the lack of cohesion between the managerial system, technologies, disparate process and results. This situation can have many consequences for the quality of the management system:

- Incomplete information, carelessness and limit on own activities;
- Waste of precious time looking for necessary information;
- Inadequate collaboration between the components of the same organisation;
- Incomplete picture over the profile per ensemble of the organisation;
- Maintenance of some connected sub -systems insufficient to the mission and the scope of the organisation;
- Lack of cohesion on the system per ensemble;
- Improper management of values, information and property;
- Reduced compatibility of organisation within the general regulation context (internal/external).

One of the most important characteristics of an organisation based on knowledge is the *capitalisation of its knowledge database*. The creation on knowledge makes the behaviour of the organisation be present and active for new specific strategies that determine to build an integrated access to the whole process of activities within the organisation.

The content of these activities, business and innovations must be interconnected, profiled and integrated into a picture of ensemble that inserts in a transparent way and cohesive accumulation of explicit and implicit knowledge at the individual, group level or artificial supports. This management paradigm helps other organisations extend continuously their knowledge bases through the stimulation of learning process and institutional innovation and through the capitalisation of their results; develop the capacity to transform intelligent and appropriate available knowledge into successful actions; be aware and apparently, look for efficient remedies to manage their own ignorance[20].

There appeared new actors and roles hard to imagine changing the typology of managerial practice.

Instead of a rigid and susceptible behaviour pyramid structure always present before, there appears a diversity of non-hierarchical structural forms of network model; behaviour typical for actors are of entrepreneurial type but they can combine the attributes of managerial professionalism even if the hierarchical pyramid seems to be inversed.

[20] Zack, M. (1999) - Managing organizational ignorance, *Knowledge Directions*, (summer), p. 36-49.

These elaborations in the meta-theoretical plan correspond to a new constructive paradigm of an organisation based on knowledge, recognised as a viable alternative to the traditional positive paradigm of the organisation based on control and authority. The diversity of visions on the tackled problem has brought a terminological pluralism that resides in the use of parallel notions as "organisation centered on memory"[21], "intellectual-intensive company"[22], "intelligent organisation"[23].

What is essentially changed in this situation? First of all, organisations based on knowledge emphasise not only the new grill of strategic priorities, but they also promote a totally different vision on the way to conceive and practice management. The discrete and accumulative character of knowledge production and acquisition techniques request the denial of the control directed from exterior (exogenous) and the adoption of a participatory management style (endogen) at all its distinct stages: innovation, communication and knowledge learning.

The managerial act is concentrated on the problems of elaborating a strategic vision and facilitating coordinated actions of competent and cooperative actors that are self-responsible including for the decisional aspect. Under these conditions, the division between the authority and execution becomes almost impossible or even a burden in the qualitative performance path[24].

From this perspective, what would be the possibilities and instruments to put the foundation of an organisational culture favourable for the knowledge circuit? Amongst the most evident instruments to build capacity of the organisation in knowledge management we can mention the following directions:

1. **breaking** formal barriers and competitive environment;
2. **creation** of a spreading culture/dissemination of knowledge from the top of the organisation, of equity of chances and respect for colleagues, confidence in the force of individual synergies;
3. **enlargement** of knowledge areas of people besides the known sector;
4. **encourage** learning and assuming of individual risks, support those who fail in their attempts;

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[21] Le Moigne, J.L. (1993): Sur l'ingénierie de la connaissance organisationnelle, Note de Recherche 93-02, GRASCE, Université d"Aix-Marseille III, Aix-en-Provence

[22] Nurmi, R. (1998) - Knowledge-intensive firms. Business Horizons, 41(3) : 26-32

[23] Hendriks, P.H.J. (1999) Do smarter systems make for smarter organizations ? Decision Support Systems, 197-211

[24] Holsapple, C.W., Whinston, A.B. (1987): Knowledge-based organisations. *Information Society*, **5**(2), 77-90.

5. **capture,** stock and multiply competitive knowledge, including through: stock of experience acquired by each activity in a database, creation of a database with the best practices favouring communication through e-mail, video-conferences;
6. **measuring** knowledge creation process (audit of tangible assets; categorise clients depending on the value of contribution of knowledge; establishing an annual balance including the profit and loss of human resources and of a balance of investment in human resource; discourage the use of financial indicators especially in knowledge management);
7. **create** careers based on knowledge management (rewarding employees for their positive results in knowledge management; dual careers; periodical change from the technical to the managerial, and opposite to know better the company; equal employment of men and women, foreigners; diversity and representation of all cultures leads to creativity);
8. **creation** of micro-media for the tacit transfer of knowledge (team work, for the transfer of information, especially, from seniors to juniors, offices with open space; platforms to facilitate the exchange of information; assurance of redundancy: people have more information than they need for immediate missions; orientation towards share of responsibilities, identification of creative solutions from unexpected sources and act as a self-control mechanism; appoint mentors within big projects, organisation of places where people can meet informally).

In relation to the specific configuration of non-hierarchical organisations there are other new types of actors and roles, and the typology of managerial practice is changed radically. Management of organisations based on knowledge becomes more a carrier of conceptual responsibility than an administrative power this allowing to meet roles unperceived before – facilitator, mentor, moderator or image promoter him being responsible for the drafting of "architectures" of systems and process, solution validation, ratification of suggestions, etc.

The implementation of these roles implies that actors possess adequate types of managerial abilities, especially, strategic conception, interpersonal; relationship, project management and change management.

In their position of complex socio-human entities, organisations feel the need to accumulate new knowledge, its members being the natural messengers

of the ratio between goals, means and results, between organisations and environment, in which they exist, communicate and interact. Only in the case of organisations based on knowledge, organisations see knowledge obtaining as a systematic and institutionalised effort through procedures to facilitate knowledge process at the managerial level and per ensemble.

Comparison criteria	Paradigm	
	Organisation based on control and authority	Organisation based on knowledge
Object	Classical resources, tangible assets, programmed activities	Systems and process in priority based on intangible assets
Dominant logic	Logic of labour product and formal organisation	Logics based on organisational competences as performance source
Orientation in time	Retrospective (control and evidence)	Prospective (projects employment)
Nature	Mainly improving, emphasising the continuity in existing systems	Mainly constructive, emphasising conception and piloting changes
Practice modality	Routine, impersonal; concentration on factual aspects	Creative, personalized; centre on conceptual and strategic aspects
Assurance modality	Corrective intervention; reactive behaviour	Transforming intervention based on projects, proactive behaviour

These two distinct perspectives on the adequate model of management in an organisation describes two paradigms and approaches totally different that could be represented in the following procedural way, this way of supporting techniques to obtain knowledge describes the following aspects:

- depositing own knowledge represents an old exercise within the organisation being viewed as an essential source of this organisation decisive for its global strategic performance;

- intellectual-intensive process are not only preponderant but also determinant for the functioning of organisations in the direction of achieving its goals;
- organisation structures for individual and collective actors requests, roles and responsibilities new for the management of knowledge and related process;
- organisational culture institutes consensual normative objectives for the use of values related to creativity, competence, learning, communication;
- aspects related to knowledge gets an essential role in affirming the identity of organisations in insuring the integrity and coherence in terms if structure, strategy and action.

Admitting that organisations become intangible through the explanation of the modality in which they are structured and respectively function to achieve their objectives[25], it becomes possible the identification of characteristics of organisations based on knowledge through typologies associated to each of their two criteria; the first is seen in the succession of organisational configures, and the second in the succession of generations of managerial practice (see the following table).

Succession of generations of managerial practice

Attributes of organization	Generation I	Generation II	Generation III	Generation IV	Generation V
	Orientation to technology	Orientation to projects	Orientation to organisation	Orientation to clientele	Orientation to knowledge
Strategy	Desperate efforts of research – development	Concentration on basic activity	Integration between technology and basic activity	Coordination with clients in research-development	Interactive innovation systems
Forces of change	Unforeseen	Intra-organisational Interdependencies	Systematic effort of research-development	Generalised, rapid, discontinue change	Dynamics of "kaleidoscopic" type

[25] Tsoukas, H. (1996) – The firm as a distributed knowledge system – a constructionist approach. *Strategic Management Journal,* p. 11-25.

Performance	Research-development as auxiliary activity (of support)	Co-participation to expenses	Equilibrium risk-benefit	Ratio between productivity and investment for information	Intellectual capacity and its impact
Structure	Hierarchy functionally oriented	Matrix like	Distributed coordination	Professional communities	Networks of symbiotic type
Staff	Competitive ratios	Pro-active cooperation	Structured collaboration	Accent on values and potentials	Professionals to self-lead
Functioning	Internal "anaemic" communication	Based on relations between projects	Research-development based on basic activity	Reaction circuits; supported information	Tides of knowledge from/to exterior
Technology	Embryonic	Based on data	Based on information	Data processing – competitive force	Intelligent processors of knowledge

Source: www.entovation.com/assessment/fifthgen.htm

What are the implications of new forms of organisations based on knowledge? Organisations based on knowledge emphasise not only the new phenomenon, but also induce a different vision on the way to conceive and practice management. In relation to the specific configuration of non-hierarchic organisations, there always appear new actors and roles and the typology of managerial practice is radically changed.

Thus, it was appraised that activities related to knowledge production, (innovation) its share (communication) or its acquisition is not linked to any authoritarian leading and hierarchical and exhaustive control; their subtle character makes distinction between the formal and informal and the official exterior control becomes un-operational, makes space for self-control.

The new type of organisations could be described by the following characteristics: (1) dominant composition of professionals, reduced number of intermediate levels of hierarchic authority; (2) insurance of coordination through means of non-authoritarian type (standards, norms, rules of cooperation etc.). Division between administration and executive, managerial act is concentrated on problems of elaborating the strategic vision and facilitat-

ing coordinated actions of some competent and cooperative actors who are self-responsible, including under decisional aspect[26].

The manager becomes more the bearer of conceptual responsibility (projects of systems and process "architectures", solution validation, and ratification of suggestions) rather than the administrative power, the spectrum of roles is enriched by *facilitator, mentor, moderator* or *promoter*. The execution of some of these roles requests the enrichment of actors involved with different types of managerial abilities, especially, of strategic conception, interpersonal relationship, project ruling and change management.

Additionally, the specific of studied organisations makes room for managerial roles without precedent in the hierarchy environment such as the ones of chief knowledge officer or chief information officer responsible for development projects etc. By their nature, organisations based on knowledge presuppose the management of collective competences depending on the source of systemic viability (Hendriks, 1999). In general terms, competences denote what an organisation knows and is capable of in relation to own objectives and determined environmental conditions on the basis of individual abilities of its members, systemically articulated and strategically mobilised.

In most of organisations, the main transforming vector is the promotion on the principle of its local incubation or generalised evolution of characteristic practice or knowledge society unlike private sector that assimilated almost all methods and techniques of measuring[27], public sector evaluated slower in this direction, in particular on the dimension of management activities. The promotion of qualitative changes in an organisation does not mean only the reproduction of some plans suggested from exterior because changes do not resemble one to each other. The most appropriate approach on change is related to understanding the reasons of change need without which no change process would be possible. The substantial analysis of an organisation should be followed by setting up principles that would guide the action; this will help techniques be applied in the individual and consecutive way. Very interesting was the observation of Michelle Wiginton[28] on change context:

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[26] Organisations based on knowledge, Dragomirescu, 1995, http://www.racai.ro/INFOSOC-Project/Dragomirescu.

[27] Tom Peters, Thriving in Chaos, Handbook for a management revolution, New York, Harper Business, 1992

[28] Michelle Wiginton, Change Management, University of Oklahoma

1. change agents must be conscious of change goal, the interpretation employees of an organisation formed by;
2. employees resistance to changes is more a norm not an exception thus some of them will obstruct in any conditions to change;
3. active and visible encouragement of change is an essential element for initiative success;
4. the culture of an organisation and value system in which it operates has a direct impact in the way employees react to changes;
5. organisation employees face change in phases and pass these phases as individuals;

For these observations to help build veritable changes, managerial perspective (organisational change) must not be solved on the account of individual perspective (individual change). Employees much be helped to become a component of the change creating supplementary corridors of communication between the managerial staff and individual employees identifying the points of resistance and correction actions of interaction blockades. In speciality literature, a great attention is given to positive practices that facilitate "personal transitions of change" helping employees get involved in the process and identify own limits and barriers to be overcome.

Very often, managerial staff trends to treat communicational side of change pattern followed by an organisation into a too general and vague manner, thus employees' reactions remain too vague and abstract. In these conditions, we see more imprecise monologues and not dialogues on the subject of change. The immediate effect of employees shall be to resist to changes envisaged in the following patterns:

1. the inert pattern through devaluation: employees shall consider that change is a waste of time;
2. reactive contradictory pattern: employees will ask themselves the question of everything went smooth until now;
3. disapproving reflexive pattern: employees will disapprove the fact that they are not being communicated what is happening;
4. adverse reaction pattern: employees will obstruct to change because they think it is inappropriate and useless.

Shall not be forgotten that change management is first of all a process. This process has its own phases and conditions facilitating change assuming. Organisation theories suggest in this sense some distinct phases:

1. first phase (get prepared to change): establishment of concept and vision;
2. second phase (change management): planning and implementation of concept elements, including communication plans, mentoring, training and effective administration, overcoming of resistance;
3. third phase (change finalisation): crystallisation of change through some structures and practice that can be systematically repeated.

The efficient communication of change must link between audience, message and vision. The logic result of an efficient communication is the creation of a favourable and sensitive environment to projected change encouraging the will to participate in this change and diminishing the idea to oppose it.

But communication cannot succeed if there are no dedicated change agents (not necessarily from managerial staff) that should demonstrate the importance of change process enforcing the chain of individuals with communicated change in the direction set up by executive managers of a precise organisation.

Although there are different interpretations of knowledge collection and share management process, we considered that advice given by Nick Willard[29] on planned phases and actions is the most valuable one:

1. **Find out which is the exact current situation** of the organisation, diagnose it! Many organisations perform distribution activities of positive practice but name them differently. Look for existing practice, learn more about them and communicate the results of the analysis by means of list of accumulated knowledge. This can be done through application forms filled in by managers of the analysed organisation.
2. **Identify subjects and factors** that contributed to the surface of some positive practice. As a rule, innovation champions are the ones who really wish for changes in the organisation investing in this time, energy, resources and individual knowledge;
3. **Start learning process** including trainings that would help assembling resources; get informed on the agenda of events in the organisation. It is very important to know what other organisations do for already implemented similar programs of collecting and codifying knowledge;

[29] Nick Willard, Aslib Information, Information Resources Management, Vol.21, No.5, May 1993

4. **find out what are the strategies** of the organisation so that knowledge management can be useful when there is a maximum benefit as the result of applied outcomes increasing the quality and organisation practice;
5. **Identify corporative objectives**. Many organisations suffer from a "fatigue" of activities so that every new initiative distracting from basic activity is negatively perceived by employee. Rationally it seems to use already existing initiatives to promote approaches or paradigm specific to knowledge management;
6. **Initiate pilot projects**; the best corporate initiatives started with little steps and minor risks. Thus through experience and corporative learning they grew up to a systematic and productive effort;
7. **Develop strategic documents** (road-maps) for knowledge management process within the organisation, action implying the support of organisation leaders. This means that through the development of an attractive vision, with well determined scopes and strategies, organisations can be mobilised easier and quicker.

As it may be concluded from this extremely useful advice, for the initiation of knowledge management process within an organisation, this technology can no longer be treated as an organisational luxury but a need of primary importance. Implemented in an adequate way, knowledge management may bring great advantages to interested organisations, including through the growth of productivity, increase of quality of services rendered to clients, the quick insurance of the access to vital information and through the creation of an environment capable to manage complex problems confronted by the organisation. The management of possessed information represents an excellent discipline to manage explicit knowledge, but organisations must give at least an equal attention to contextual information (data bases and change of tacit knowledge).

We mention that resource libraries and centres can fulfil the function of coagulator for teams of experts and individual consultants that should also extend their forms of knowledge they deposit. Apparently, the biggest problem is not used instrument, techniques or technology, but the human and cultural factor that needs professional development, leadership courses and change management in the manner in which managers treat individuals as subjects of planned changes.

II. KNOWLEDGE INSTRUMENTS: INNOVATION AND POSITIVE PRACTICE

1. Conceptual notions:

The term "positive practice" refers to initiatives successfully implemented that bring an exceptional contribution, sustainable and innovative to solving current problems. When we say "positive practice" we do not necessarily mean a competitive nuance with other practice. In reality, practice from different sectors is not too different to be compared. The goal of describing and collecting positive practices is to transform them into a mobilising effort of nature to influence positively the decision taking process.

The notion **"positive practice"** implies the realisation of an activity considered to be successful because it meets certain criteria. The fact that it is presented means that this practice is more competitive than others of this area, but not that it is better.

The concept of "superiority" of a practice implies its ability to evolve more practice and its impact, thus we may conclude that some practices are more successful than others contributing to a series of better results. In fact, practice can be evaluated depending on its values: "positive" means the unity of a scale of measuring from good to better (in the technical jargon objectives, activities are measured by conventional units).

The Webster dictionary defines practice as "systematic exercise with the aim to achieve higher performance" and "action or process to do something or unfold an activity, or scheme". Practice in the sense of repetition or multiplication helps acquire abilities through reflexive experience increasing the level of professionalism. From the perspective of our study, it would be more useful to concentrate our attention of repeatable operations, systematic, characteristics of the reform in the civil sector. A set of positive practice may become hostile or arch-typical when they are hostile. Too many details in the description of practice can create a complexity of unqualified nuances.

The critics of this practice often ask us rhetorically why is that only positive practices are analysed and not the negative ones. The answer deals with the fact that when we concentrate our attention on too many problems, errors and failures, the analysis produces fewer lessons to learn. Concentrating on

proved "results" a good messenger could easier learn how to overcome problems, and since problems managers face are often typical, it is useful to know how to locate other managers solution to our problems and what techniques were used in this scope. Also true is the phrase "success fuels other success" (often through a prediction of self-creation). On the other side, emphasising negative cases would sustain pessimism and negativism, may dry energy, narrow the action and paralyse organisation dynamics.

An organisation based on knowledge production is characterised as a rule by a vision of smart development apprehended and accepted by all its members. They share a clear vision on current realities being connected by a creative tension to diminish the difference between the current situation and the vision they wish to achieve. In this regard, members of the organisation are willing to follow specific phases and instruments. At the highest level, there is a clear vision sustained at different interactive levels to identify positive practices remarked through multiplication and capitalisation. In fact, this means that all activities of the organisation are attentively analysed positive practice being a stimulating element for the development of the organisation.

In the generic definition of "positive practice" it is conceived as "a type of activity applied regardless of the institutional or structural differences". In the spirit of this definition, in 1991 Arthur Andersen established a **Centre of relevant resources and data** for companies all over the world. Through this mechanism there were identified and organised some 13 large categories of around 260 universal positive practices.

The author of this initiative concluded that companies and organisations cannot be limited only to their direct profile of generating positive practice. For instance, a construction company can learn from a bank the positive practice, and a public relation company can update its automatic process of its commercial operations through copying and assimilating a positive practice from a stock exchange in New York. A universal process of generating positive practice eliminates inherent limitations in industry or a functional perspective, for practices to be flexible, easy adapted and ready to be transplanted in different environments encouraging the exchange of opinions and creative solution search.

Positive practice represents the aim of some adjustments of conformity. All managers, without any exception, try to substitute practice they deem to be rigid or inefficient with new practice tried and verified through performance indicators. Although these improvements cannot be achieved over the night, they are willing to identify intermediary indicators that would guide the proc-

ess of adaptation. Each indicator represents a stage followed by activities that move the organisation towards its established goals through practice. Thus, actions and strict following of agenda of activities are essential for defining the characteristics of a positive practice.

Although, "positive practice" does not represent an eccentric concept that follows only the set of objectives and valuable activities, but also a concept capable to attribute to managerial activities a superior quality. The search of authentic positive practice must not be limited to the specific of the appropriate sector or country. When a positive practice is identified, is becomes an instrument assisting the managers of a company to improve their organisational performances. For positive practices to be on the agenda of changes of an organisation, the introduction of new practices represent an indispensable quality of organisations they got used to rush the changes of a context in which it functions.

Positive practices are defined by the Organisation of United Nations as successful that:

- Have an innovative impact that can be proved and evaluated;
- Are the result of an effective partnership between the civil, public and private sectors;
- Are durable from the cultural, economic and environmental points of view.

Positive practices were developed in many countries and are based on various sectors. For instance, the *data base of UNESCO based on Indigenous Knowledge* and *International Migration* presents around 200 positive practices from all over the world, and the **web page** has a number of visitors of over 200.000 people annually, this indicating an inspired character of positive practice among public accessing electronic resources of this organisation.

As a rule, positive practices are analysed in qualitative, descriptive terms thus they can serve the objective of learning from similar experiences, but since these experiences become more and more numerous and connected to our current activities, there is the objective need to select, analyse and hierarchy these practices according to their relative relevance and value. They are also considered to be "superior practice in approaches and with more results than others". Such practices can be under the form of some processes, studies, polls, indicators or researches. They represent "experience, results of some specialised researches and elements of knowledge industry".

The concept of "positive practice" is used as a rule to distinguish a qualitative process in the activities of an organisation. Although the adjective "positive" presupposes a sense of competition the common understanding of the word in managerial practice is relationed with factors that stimulate the improvement of organisational performances. This is the reason for which many categories of managers and leaders of organisations are willing to apply more effort to identify organisations whose practices are more efficient in achieving performances standards they wish. In business context where companies are in rivalry for a market margin or clients, the meaning of the word combination "the best on the market" seems to define the characteristics of "positive practice". On the contrary, in public management context where few organisations could disappear as the result of some less successful policies, the concept of "positive practices" represent more a professional virtue issue wanted by professional managers, politicians or even members of a community.

The action of "innovation" or "assimilation" of a positive practice measurable in terms of efficiency can help a community to value to a greater extent its resources. GDP growth or the equilibrium between the development and conservation of environment can serve as measurable indicators. Many organisations part of the family of agencies financed by the United Nations have greatly contributed to the measure of this type of "positive practices" that can envisage certain "objectives" of the national policy results. Moreover, this type of positive practice can be identified to the extent in which these activities achieve or not higher values or standards. Taking into account the indicator of economic growth or social development, statisticians can set finalities of the national development per ensemble, and those who analyse social policies can take from a context "practices" that contributed to the achievement of these positive results.

In this way, there appeared many awards at the international and continental level meant to affirm the recognition of some "positive practices" in the public and private management. An example is the program *Habitat* that helped some cities determine the "the best" in the municipal management on the basis of some very rigid competitions and rigorous procedures being further on presented as stimulants to the improvement of municipal management. An important element of the concept of "positive practice" represents the concept of "organisations generating of knowledge". Capturing information related to positive practice depends on the availability of an organisation to receive in an open and efficient manner new ideas from other organisations. A "learning" organisation engages itself to follow a continuous process of iden-

tification an environment for innovative methods and new opportunities to adapt and apply these methods to increase its organisational performances.

Research of positive practice was defined as "selective observation of a set of experiences in different contexts with the aim to generalise principles of action and theoretical conclusions on the management of its appearance". The aim of any research of this type represents "successful stories" – elements that help us discover the consecutive chain of practices, methods to undertake certain actions resulting benefits. The essential objective of positive practice research is to discover those that can be adapted by organisations whose results are modest.

For example, the reform of the public sector is considered to be a priority objective for many countries, but meantime, some of them can create "positive practice" in the process of reforming public service or in other components of the public sector (human resources management). Other countries cannot obtain compatible results due to the absence of some important elements in the realisation of declared reforms, in the absence of a vision, managing abilities and projection of a reform or capacities comparably reduced by descendants' motivation.

Certain ministries can mobilise rapidly and efficiently, while others stagnate in the initial phase. Success causes of some reforms in an organisation or even at the level of countries may lead to obtaining positive practice when there are certain conditions necessary for innovation.

Based exclusively on existing problems and difficulties assuming responsibilities, we could increase the degree of negativism building a certain stagnation in the institutional development, thus, basing on "successful stories" and positive practices could promote the spreading of positive practices. Positive practices are, as a rule, oriented to discover "causes" of the success and not only through their academic explanation or understanding, but also through the obtaining of similar results. In a special way, the promoters of the concept of "positive practices" incline to adopt in a determining way the causes of "success" establishing causal hierarchies, factors and variables insuring the success.

This approach appeared at the beginning of the management development as a science. In 1911 Frederick Winslow Taylor, in its work ***The Principles of Scientific Management,*** considered that "there was only one way" to succeed in a certain type of activity and that is through the application of the scientific management. Thus, he elaborated instruments and methods to discover and promote "the best path" of labour organisation. The approach of the positive

practice was used in the studies of Hawthorne who analysed the behaviour of workers of an industrial company of phone sets assembling insisting on the motives and psychological factors that influenced labour productivity and determined social relations. At their turn, Peters and Waterman applied the same approach of "positive practices" to carry out a comparative analysis of 62 successful companies establishing 8 excellence characteristics in management of private companies. Other authors, such as Osborne and Gaebler, used the concept of "positive practices" to identify 10 performance indicators amongst internationally recognised companies[30]. Following their example, a series of international organisations (*OECD, World Bank, UNDP*) looked to establish necessary conditions for a good governing.

What is "positive" and what is not in a practice?

The concept of "positive practice" implies the existence of some abilities to measure the quality of some activities or public policies evaluating their general impact up to the conclusion that some of them were more successful than others and that some "positive practices" led to obtaining undesirable results. The success or failure of some policies depends greatly on:

- The measure political decisions and their implementation have attained the established objectives;
- The measure these are accepted by the social environment of the political system and are not rejected losing the quality of "prescribed mandatory behaviour" by the force of law;
- The measure political decisions insure the full use of resources (time, finances) or are capable to mobilise other resources.

Positive practices can be evaluated gradually competing among them and being measured in dynamics. The methodology of positive practices is quite encouraging for the managerial staff wishing to obtain qualitative results. Thus, we could say the "positive practices" represent a goal of improvements of conformity. Managers try to replace current inefficient practices with proved and measured practices. Even if no one is expecting fundamental improvements over the night, the integration of some positive practices in its every day activity of some organisations may produce surprising results that can be measures in intermediary indicators (milestones).

[30] Orsbone, D., and Ted Gaebler, Re-inventing Government: How the Entrepreneurial Spirit is Transforming the Public Sector, New York: Penguin Books, 1992

These intermediary indicators can establish other indicators that guide the results of an organisation towards its desired objective. Indicators can be named as well as activities that bring us closer to strategic objectives of an organisation. Thus, actions planning and their organisation in time are key-elements of "benchmarking" process.

Positive practice is not only a more sophisticated concept of comparative measure of objectives and activities of their value scale, but also a concept that determines and guides managers' actions. The most valuable positive practice is that whose generic applicability does not have limits and restrictioned domains. Thus, veritable positive practice should not be in constraint by choosing a sector of industry or a country. When we identify a positive practice, it becomes an instrument to assist managers improve their performances, and this becomes a basic characteristics of organisations in an informational society.

Why is positive practice dissemination useful?	
The idea of collecting positive practice is based on the idea that each practice being a case study well documented can serve as inspiration for changing public policies.	❋ To apply them on a large scale (national, regional), in other localities, countries, etc. ❋ In organisational terms, positive practice knowledge allows young organisations orient and learn from others experience. ❋ Positive practice can stimulate new ideas and suggest adaptation to already initiated programs. ❋ Positive practice is the necessary link between research and decisional process. ❋ Positive practice can offer the support in looking for more efficient solutions for existing problems: social, economic, environmental, etc ❋ Dissemination of positive practice can lead to increase awareness decisional factors at all levels, potential solutions to existing problems. ❋ Positive practice from any area allow us learn from successful lessons and experience of others.

As long as the concept of "positive practice" can invoke the notion of competition, the conventional use of words in management practice follows the stimulation of organisational performances. Thus, positive practice are searched with insistence by managers wishing to identify development "patterns" and by organisations whose practices can guide efforts to better results.

Within one competition, the notion of "the best survives" seems to be appropriate and unchallenged while in public organisations the notion "positive practice" presupposes a nuance of supplementary pride of managers, local elected persons or citizens who contributed to the generation and application of this practice.

From this perspective, it is necessary to make a distinction between positive practice initiated in business and other economic environments and positive practice from public and social sectors. The difference is in the instrumental value of practice that contributes to the increase of citizens' participation degree in decisions taking process, public informing on decisions affecting their life style, identification of solutions to problems of economic nature, social or environment, dissemination of knowledge, expertise or experience, training of the population, etc. Inventing or assimilation of some "positive/good practice" will lead to a more rational use of public money that can be evaluated through the indicators of productivity growth and labour efficiency. For instance, chrestomathies of "positive practice" can serve cases analysed by the *Centre of Resources* (*MOST Clearing House)*[31]*:*

In Great Britain a magazine ***The big issues,*** sold by homeless to sustain themselves and get necessary money to integrate into the society grew its number of copies up to 350.000 re-profiling from a monthly magazine to a weekly one having a publishing precedent of popular publications in 13 countries from Europe, South Africa and Australia.

In India, a group of 4000 women founded *Shri Mahila SEWA Shakari Bank*, with the aim to give credits with reasonable interest to individual entrepreneurial activities managed by women. This project had such a success that in 2005 this bank had about 51.000 deponents and a statutory capital of 6.6 million USD.

In Brazil, the *Live Library* was founded to encourage schooling of children from poor families. The Library operates through some non-governmental organisations and community centres assisting them with books, materials and professional training. As a result, over 20.000 deprived children were registered in schools.

[31] MOST (Management of Social Transformations) represents a research program of UNESCO, founded with the aim to promote comparative research in social sector on international level. For any references: www.portal.unesco.org

We may conclude from these examples that positive practice must be innovative, creating and suggesting solutions to solve stringent and heavy problems: must prove tangible results and have a considerable impact on life conditions or performances of an institution influencing the life and behaviour of social groups or individuals; must possess replication potential serving as pattern to be followed and generate time sustainable policies. The definition applied by *MOST* to positive practice is "projects-patterns or policies following the aim to improve the quality of life of individuals or groups suffering from poverty or social exclusion". The idea followed by *MOST* is that different stories properly documented can offer excellent instruments of action to practitioners or descendants in repeating these cases of success, and *Data Base* they have in present is to present and promote creative solutions, sustainable and successful for social problems occurring as a result of poverty, social exclusion serving as a bridge between practical solutions, scientific research and political sector".

In the traditional capitalised by UNDP there is the concept of "learning organisations" and this is due to the use of information related to efficient practice depending of receptivity of organisations in accepting new ideas in an open and non-defensive manner. Definitions given to the concept of "positive practice" must be viewed with prudence because our understanding is relative and dynamic as well as knowledge. *The American Centre of Productivity and Creativity* treats this concept as a functional instrument helping us to attest successful experiences, excellence, tested in current practice. This practice was, as a rule, selected within a systematic process being adapted to the particularities of a precise organisation.

Moreover, positive practice can be identified depending on how certain activities register comparable standards or values with other activities or organisations, it is positive only in comparison. Many international and national awards were periodically given for "remarking and encouraging positive practice in public and private management". For instance, the Conference *Habitat* in Istanbul in 1995 where some 40 cities were distinguished as "positive models" in urban management at the global level. Selected on the basis of application to participation, and a representative jury these 40 cities became points of reference and stimulants to intensify the efforts oriented to the improvement of the municipal management.

The adjective "positive" can be measured in GDP growth or in the setting of equilibrium between the development and keeping of the environment. We mention that UNDP contributed to enriching the terminology related to "positive practice" through the introduction of development and measuring indicators of "national successes". We draw the attention that epithets such as "positive", "excellent" or "good" are changing as well as the particular situation in which they are used. The Corporation *Chevron* from the USA elaborated a quite large definition for "positive practice" containing the following distinctive signs:

- Good idea (a hypothesis, unchecked): notion referring to the partial understanding of reality that may lead to positive results for an organisation requesting supplementary analyses.
- Positive practice (on-going activity): word combination defined as a technique, method or procedure allowing, as a result of its implementation, to improve business performances of an organisation. This presupposes that an important number of requests expressed by clients or involved actors in a certain area are going to be addressed/satisfied following these results to be evaluated on the basis of additional information.
- Checked positive practice (practice attested and verified): the combination presupposes a positive practice that proved its benefits within more organisations being based on data analysis describing the process and recorded performances.

Based on these necessary clarifications, we can say that in reality each organisation has many options to organise its own functioning using intuitively and deliberatively specific mechanisms of identification, defining, accessing and transfer of positive practice. The process of transferring positive practice represents crowed route because there are no organisations that would not wish to become better, more rational and more efficient in their activities.

2. About innovations, good and positive practice in a society in transition

Innovation plays an indispensable role in development. The counter of www.google.com gauged over 86.2000 000 search requests for the word

"creativity" and over 343 million for the word "innovation". Innovation and change clearly represent competitive advantages which many users surf the internet for. The information revolution and globalization, along with daily progress of humanity in the fields of technology and exact sciences removed territorial barriers and offered numerous means of communication and competition at the international level. In the context of numerous technological changes it is normal that each organization aims to maintain and increase its influence through innovative approaches.

Knowledge management is therefore an ideal means of applying positive experience within own organizations, along with innovations and performance evaluation criteria as tools of stimulating / boosting creativity and adaptation capacity of social groups. Knowledge management and innovations must have proven record of improved performance compared to other practices. Setting benchmarks is therefore key to changes in society.

Using benchmarks to evaluate knowledge management implies identification and study of internal knowledge management resulting in improved performance. Benchmarks help one to compare and are particularly useful for efficient management of enterprises, but also of public organizations. Internal benchmarks analyze management and performance within a given organization, whereas external benchmarks determine performance of organizations at the international level. Benchmarks are often quantified or represented by a matrix to allow one to take competent decisions in view of optimal development:

- Waste accounts for less than 1% of the overall production;
- Waste is recycled in less than 24 hours;
- Orders are processed in approx. 10 days, etc.

Benchmarks are based on feedback from customers, who can point to drawbacks, set priority actions and identify ways of improvement. Benchmarks can also be set by carrying out detailed studies, interviews with managerial staff or field research. One could explain the meaning of the term 'benchmark' and its relation to knowledge management as follows: one determines how a given organization fulfils certain tasks by comparing those tasks to similar activities performed by other organizations.

Re-engineering (remodelling success factors) is an important element of innovation. It is a process of group analysis of experiences from prior business and management projects or activities. Participants in such post-operation evaluation groups are invited to analyze their own actions, faults, success or drawbacks based on the following statement: "if I had another

chance, I would do the following…" Analyzing things from this perspective is particularly useful for re-engineering. The following factors are taken into account:

1) improving managerial capacity (more active and more consistent involvement);
2) re-defining / Adjusting strategy (in line with the strategy of the organization or firm);
3) developing some recommendable business cases (with quantifiable objectives);
4) verified methodologies (connected to the activity and strategic vision of the organization);
5) effective management of change (taking into account the predominant cultural model);
6) assuming responsibilities (personal or collective);
7) remodelling the implementation team (starting with their professional performance and level of compatibility).

The evaluation of these parameters of functioning represents "a systematic comparison of the elements of interaction of an organization with another organization, with the specific goal of improving their quality". The logical conclusion is that any validation of any positive practices should be accompanied by gathering empirical data, selecting up-to-date topics in a given context and formulating some precise recommendations, which would facilitate the transfer of practices to other organizations. In this respect, the conclusions reached based on the positive practices should prove to be sustainable, should provide a general vision and incentives for action based on real experiences.

3. Comparative evaluation of some positive practices gathered within ILN

Positive practices

Success in business or achieving some positive results in managing an organization mean for many success in life. There are however numerous mistaken stereotypes and ideas about what an organizations does in order to be successful. Many tend to think that the secret of success lies with finances. Money, some say, guarantees success! It is so wrong. Although funding plays a role in the success of an organization, its importance ratio is usually not higher than 5%. Let us explain. The key element which accounts for the success of most organizations is undoubtedly the quality of management. Good management is able to create a sprit favourable to innovation, team work and creative leadership. High-tech and privileged access to funding are not enough to ensure success, the style of management is also important.

Innovation is the key tool which provides for competitiveness and the advantage of an organization to another similar organization. The ability to resolve a problem in an unusual and innovative way has immediate and long-term effects: saving resources, improving the quality of services, being more competitive on an increasingly pluralistic market. Often old solutions for an old problem, which consumed unsuccessfully resources, require an innovative element. On one hand it resolves the problem, and it does not require material resources on the other. How do innovations appear and how could we encourage innovations? From our experience, these " enlightenments" which combine creativity and pragmatic interest to use resources in an intelligent way, emerge as a result of experience and thinking, both are related to "knowledge economy", mentioned in the previous chapter. Let us examine further several case studies to support our statements.

Case study: *Save Our Streams*[32]

The issue: Numerous little rivers run across almost any locality in Moldova. Also known as "bluffs", they appear as a result of seasonal silts or land sliding which sometimes bring springs onto surface. Local authorities do not consider those rivers to satisfy the basic needs of rural households and often classify them as "unused areas" and even evil for villages. This perception could be partly explained by the unfortunate habit of some "good managers" of using bluffs as refuse areas where household waste, rubbish, etc is chucked out. Being no man's land, local authorities do not consider bluffs to be worth community protection and care, and as a result surface waters, as well as little rivers in vicinity of bluffs and locality as a whole are polluted.

Existing solution: Following alerts from citizens and environmental inspections, local authorities start various activities of fighting bluff pollution. Local authorities tend to apply administrative sanctions, fines and even launch into costly cleaning, etc. Local authorities' initiatives are exceeded in intensity and scope by local habits, as well as damage already caused to the local environment. What could be done?

Innovative solution: The international agency REC-Moldova has recently launched the idea of local councils giving an official name to each little river or bluff in the locality. The solution proved to be truly revolutionary! Following local decisions, bluffs and little rivers were marked, thus remarkably reducing the amount of disposed waste and negative practice. The initiative of naming bluffs and little rivers aimed at changing the perception of the locals. It also indented to improve the relative value of bluffs and little rivers so that they are foremost regarded as "little rivers, leisure and pleasure resorts" rather than dumps.

Innovative solutions do not merely resolve the problem; they also focus on identifying and eliminating the causes of the problem. In this respect, the existing solution to the issue presented above required a lot of resources and time. On the contrary, by applying the innovative solution the local authorities managed to deal with the causes of the problem in relatively short time and, as a result, the issue ceased to be pending on the local community to-do list.

[32] **A programme implemented by:** Regional Enviromental Centre Moldova, contact person: Ina Coseru, address: Mitropolit Bonulescu Bodoni, 57/1, of.106, Chişinău, MD-2005, Republic of Moldova, Telephone/Fax: 373 22 238685, 373 22 233017, E-mail: Ina.Coseru@rec.md web site: http://www.rec.md

Suggestion: Before resolving a problem, try to identify its causes. By eliminating the causes of the problem, one could resolve the problem per se.

An innovative idea helps to deal with issues under difficult conditions, generally referred to as "precarious financial situation, severe lack of resources, and limited reaction abilities". It is easier to work out an action plan to resolve problems when unlimited funds are available. This, however, does not happen very often. Innovation spirit helps us find simple solutions to complex issues.

Case study: A World Without Barriers[33]

Issue: According to recent statistical data, about 5% of the population in any locality is physically disabled. For most of those people urban areas appear to be a scary "jungle" impossible to manage without a guide.

Existing solution: Town infrastructure is not friendly towards disabled people. Efforts of public authorities to improve wheel chair access are curtailed by lack of funding. As consequence, little is done to help the locomotor disabled to integrate into society. This fact increases social inequality, and also the feeling of guilt shared by relatives of disabled persons.

Innovative solution: The key objective of the NGO Forum from Vinita, Ukraine is to help the disabled from the region to integrate into society. Having realized that the available funds were not enough to build an adequate infrastructure, they decided to follow another path. Based on a study of the locality a city map was drawn indicating routes and buildings which the disabled could visit without assistance. The disabled persons were provided with logistical support so that they could commute in the locality at any time.

[33] A programme implemented by: Vinnytsia oblast youth NGO Youth Centre Forum, contact person: Sophia Gorobets, address: Khmel'nyts'ke Shosse, 2 Suite 208, Vinnytsia, Ukraina, telephone: +38 0432 32 67 47, E-mail: **s.gorobets@rambler.ru**, **mcforum@vinnitsa.com**, website: **www.mcforum.vinnitsa.com**

Clearly, everyday life contains many problems impossible to resolve at a first glance, as they require resources not available at that moment in time. On the bright side though, any problem entails feasible solutions matching our possibilities.

Suggestion: Although a problem may appear to be impossible to resolve, there is always a simple and doable solution.

Innovation aims at breaking traditions or our perceptions about certain issues. Resources are often wasted because we base solutions on our superficial understanding of issues or stereotypes we do not want to fight. Good results are often the main obstacle to alternative solutions. Experience / tradition often wins the competition with innovation.

Case study: Home Care for the Elderly[34]

Issue: Straseni is a small town in Moldova with 170 lonely elderly and locomotor disabled persons. These people require increased attention and permanent social assistance, one of the tasks of the local public administration.

Existing solution: The classical solution would be to institutionalize the elderly; that is to place them in nursing homes. However, for many of the elderly moving to a home represents a personal drama and is emotionally scarring. This solution has two main drawbacks: 1) high costs make institutionalization a partial solution; 2) the resistance of the elderly to move into nursing homes leaves social assistance issues to their relatives.

Innovative solution: "Neohumanist" NGO chose another solution, which proved to be innovative later. At present, the Centre for the Elderly in Straseni provides its beneficiaries with food, medical and sanitary care, while the elderly continue leaving in their homes. The elderly able to walk come to the Centre, for those less able to walk home care is provided. Put it differently, the Centre for the elderly has extensions / branches in every house of disabled elderly. Costs for the elderly are twice cheaper, while the psychological comfort is invaluable.

[34] **A programme implemented by:** "Neohumanist" Association for Education, contact person: Didi I. Kiseljak, address: str. Ion Neculce 14, ap. 51, Chisinau, Moldova 2064, tel./fax: 00373 22 755538, 00373 237 28003, e-mail: info@neohumanist.org, web: http://www.neohumanist.org

For a long time institutionalization appeared to be the only solution in the case of the elderly. Innovation in this case is about looking for new solutions to old problems. Long positive experience is enemy number one to innovation.

Suggestion: The best solutions yesterday could be inappropriate today.

In the process of collecting best practice the confusion with success stories became clear. We selected a number of "best practices" which were in fact personal achievements and did not contain innovative elements. Many of our interlocutors were very enthusiastic to share their achievements, tell us about recent successful projects and seminar, and well written reports. However, they could not understand why these achievements (important for their organizations!) did not by any means represent best practice. At last, our interlocutors stopped insisting on uninnovative activities and asked us clarifying questions. Based on these often contradictory discussions, we decided to make a list of 'false friends'; that is situations which misleadingly appear to be best practices.

Case study: *Gasification of a village*

Issue: The majority of rural localities in Moldova are not gasified. Rural population, often unable to purchase coal, burn wood, as it is the only possibility of heating during winter time. Given the fact that forests represent just 8% of the territory of Moldova, land clearing on the national scale turns out to be a serious threat to the soils and wild life of a country known for bio-ecological diversity. Environmental experts perceive land clearing as a national security threat.

Existing solution: There is a governmental plan of nation-wide gasification of Moldova. Annually, about 200 villages are gasified. Each gas pipe installed over recent years is a big event in the life of local communities, but is also used as political and electoral speculation.

Innovative solution: Not applicable

The majority of the local population, including NGOs and local authorities are right to believe that the gasification of their village is the event of the year or even decade. Clearly they believe that gasification of their locality is the only best practice. However, in reality, this is just a story with a happy-end.

The main difference between a success story and best practice is that success stories have good results, whereas best practices achieve good results by applying creative, inclusive and sustainable approaches. One listens to success stories and follows best practice. Best practices entail elements of education. Best practices resolve innovatively new problems, but also reveal new and unknown issues. Identifying new social challenges is more complicated than finding innovative solutions to existing issues.

Case study: *Preventing Human Trafficking*[35]

Issue: Rural localities in Moldova face difficult social and economic situations, lack of jobs, limited access to information, etc. Under such circumstances, the majority of inhabitants are hunting for jobs. Human traffickers take advantage of this situation. As a result, tens of thousands of young women have been trapped by international traffickers.

Existing solution: This issue has been ignored until now recently.

Innovative solution: Public awareness on a new issue.

Five or six years ago, few could think that slavery would re-emerge as issue in the XXI century. Slavery is perhaps the best term to describe the human trafficking phenomenon. Moreover, many continue to think that human trafficking is not a major issue and that "trafficked persons are partially to blame for falling in the trap". In this case, the aim of the organization is to identify the new issue that society is facing. Innovative ideas will come later, it is important to identify the issue as early as possible. Once the media raised public awareness, it often seems that we have known about that for a long time. However, even now, as you are reading these lines, society generally and your community in particular are facing issues that remain unknown at the moment. Not knowing the problem does not mean the problem is not there. Any delay hinders future solutions.

Suggestion: Try to find what others are not looking for.

[35] **A programme implemented by:** The Regional Women Centre "EVA", contact person: Olga CÎŞLARU, address: R. Moldova, or. Căuşeni 4300, A. Mateevici 20/1 St., tel: /243/ 22095, 23068, tel/fax: 23999, mob: 079539329, e-mail: centereva@yahoo.com

It is difficult to deal with new issues, because it means confronting unknown situations. Collecting existent practices and sharing prior solutions, which could prevent or resolve issues, is one way of dealing with that. In other words, we should try to look for similar issues and their solutions in the past and consider the extent to which that solution is applicable to the new problem.

Case study: *Hot Line 0 800 77777*[36]

Issue: Many of the trafficked persons are regarded as illegal migrants rather than victims. Therefore, these persons do not benefit from any assistance and are immediately deported. Many of those who escape slavery do not ask for help and prefer to deal with the situation on their own, because they are not informed or afraid of traffickers. Finally, assistance often depends on cooperation with the police, and victims, either because they are afraid or unwilling, do not testify and do not assist the police with investigation. It is for this reasons that they are not recognized as "victims of trafficking" and do not benefit from assistance.

Existing solution: Call the police.

Innovative solution: The international centre "La Strada" opened a hotline managed by five specifically trained consultants holding prior experience in phone counselling and crisis intervention. Consultancy is confidential and offered anonymously on individual basis in Romanian, Russian and English. A team works on each case.

Hotline is not an entirely innovative solution; this practice is widely used for different purposes. Many big private enterprises operate customers' hotlines. Public authorities and small-business consultancies successfully borrowed this practice. In this case, innovation refers to applying an existent solution to resolving a new problem.

Suggestion: Try to apply known solutions to resolve an unknown problem.

[36] A programme implemented by: The International Centre for Prevention and Promotion of Women Rights "LA STRADA", address: Republica of Moldova, Chișinău, 31 August 82 St., telephone: +373 (2) 23 49 06, 23 49 21, Fax: +373 (2) 23 49 07, E-mail: **office@lastrada.md**, website: **www.lastrada.md**

New problems often require new solutions. On a scale of best practices the lead is held by practices using new solutions to resolve new problems.

Case study: *Inserting the hotline telephone number into passports*[37]

Issue: Often trafficked persons involuntarily become accomplices of traffickers. Trafficked persons insist on legends learnt from their former "masters" and consider border guards to be the main obstacle on their way to "happiness". Even when border guards are certain that they are facing a case of human trafficking, they do not have the possibility to stop this phenomenon, because the victims are convinced that they are going abroad to work and their "benefactors know what they are doing".

Existing solution: Border guards often try to retain the potential victim on various grounds. However, the future victim's resistance and willingness to leave the country at whatever price renders it difficult.

Innovative solution: Border guards insert an information sheet into passport of potential victims of trafficking. The design and format of the information sheet is identical to foreign passports issued by the Republic of Moldova. The sheet contains information to help the person identify situations of trafficking and also the hotline telephone number (373 22) 23 33 09 which can be dialled from abroad. Results proved that the right solution was chosen.

Trafficking is a fairly new phenomenon in Moldova. Existing solutions do not provide expected results. Victims of trafficking consider all persons involved in preventing trafficking as enemies and they refuse to co-operate with legal bodies of the "destination" countries. That is why new non-standard solutions were needed.

Suggestion: Non-standard issues require non-standard solutions!

Identifying new issues could also backfire. Often resources are wasted on resolving so-called "major" issues. It is important to be able to tell real issues from imaginary ones. This often happens because one tends to identify prob-

[37] **A programme implemented by:** "LA STRADA" Centre

lems based on individual experience. It is hard to admit that a personal issue is not necessarily an issue for everybody.

Case study: *Social internet for women in Belarus*

Issue: There are few social resources for women in Belarus. This state of things is explained by the lack of initiative of women to represent themselves in internet, limited public awareness, but also unfair representation of women in a transition society.

Existing solution: Seminars for women on web design, internet search engines, etc. were organized.

One could easily notice that the gender issue is sometimes overrated. Search engines provide access to any information on internet. Lack of internet skills is a general issue and is not gender related.

Suggestion: Before tackling an issue, make sure it is real!

Many best practices were successfully designed and implemented by Moldovan organizations. Some best practices were taken over from international organizations. In our opinion, transfer of know-how is already a best practice.

Case study: *The Marshall Plan – a programme for improving / building managerial capabilities*[38]

Issue: The majority of managers in Moldova worked within planned economy which offered a selling market and unlimited access to resources in the former Soviet Union. Managerial skills implied co-ordination of the production process. Enterprise managers were not able to cope with new challenges brought by market economy.

Existing solution: Managers tried to tackle new issues individually.

[38] **A programme implemented by:** Competitiveness and Productivity Center (CPC) / ARIA, address: MD-2071, Chişinău, str. Alba Iulia 75/G, 9 floor, office 910, tel.: 373 2 58 92 80, 58 92 82; fax: 373 2 58 92 79, E-mail: cpc@aria.md , website: www.aria.md/cpc

Innovative solution: Within the Marshall programme, ARIA selected executive managers of the most important enterprises in Moldova. The selected managers benefited from training and trainships in economically developed countries similar to Moldova in terms of size and natural resources. This method improved the managerial skills of many managers including in the industrial sector in Moldova.

Best practices often help to achieve several objectives. There are different examples of merging, one activity linking up to another. There are often mixed institutions: home for the elderly and orphanages. They say the elderly gain second breath when looking after children and children fell less abandoned.

Case study: *Origami – natural method of developing children's potential*[39]

Issue: For the past 15 years children in Moldova are not involved in extracurricular activities and as a result many children, especially from families at risk, have become street children. Secondary schools fail to develop children multilaterally by involving them in various artistic, sporting and other activities.

Existent solution: At present extracurricular institutions involve children in sports and arts. These activities are paid and therefore not accessible to the majority of children. The limited range of activities also reduces the number of children involved in extracurricular activities.

Innovative solution: The Origami Centre from Moldova developed a new activity for children. Origami – the art of making figures out of paper – originated in Japan over a thousand years ago and is widely practiced at present by children and grown-ups worldwide. Making paper figures requires not only manual abilities, but also thinking. Scientists proved that the two parts of brain co-ordinating movements of fingers and speech are situated closely to each other and therefore are interdependent. By practicing origami, children activate sensors both in the left and right brain hemispheres, a fact which contributes to balanced development of both cerebral hemispheres.

[39] A programme implemented by: The Origami Centre Moldova, address: 28, Moscow Av., ap. 4, Chişinău, MD-2045, Moldova, tel.: 373 22 498936, E-mail: **origami_mold@mail.ru** website: **www.iatp.md/origami**

The Origami Centre has two main objectives: develops a new art in Moldova and involves children in extracurricular activities. Both objectives are noble and, at the same time, important in improving school results. Both objectives maximize the output of this best practice.

We noted at the beginning of this section that money do not play the key role in organizing activities. Nevertheless, it is important that activities are financially sustainable. It is easier to find funding for business activities. A true promoter of best practices, however, is a person who can fundraise for non-profitable projects.

Case study: *Charity auction "Renesans"*[40]

Issue: The art studio for children "Colibri" has been operating for some time in Cernigov, a town in Ukraine. The majority of children, notably from socially vulnerable families, find it difficult to buy the necessary tools.

Existing solution: The centre was struggling without financial support.

Innovative solution: "Ahalar" organized a charity auction which gathered local and Danish entrepreneurs doing business in the town. The best works of children were taken out on sale during the auction. Fourty four sets of furniture were purchased with the money collected from the auction.

This practice found an inspired way to praise the talent of children and raise the necessary funds.

Suggestion: Good ideas can raise funds

[40] **A programme implemented by:** Centre for Humanitarian Technologies "Ahalar", contact person: Iurie Trofiminco, address: mail box 69, Cernigov 14000, Ukraine, tel. (0462) 177312, e-mail: ahalar@cn.relc.com, web: www.ahalar.org.ua

It is hard to believe, but a way of testing the viability of our idea is to see whether it can raise funds. A good promoter of best practices should be able to find the best funding mechanism for his/her ideas. Sometimes, especially in the case of social projects, known funding mechanisms do not provide immediate success. A good idea is likely to be funded when the best ways of fundraising are identified. A financial solution is not necessarily about fundraising, more so it is about saving existing means. Fundraising for extra money accounts for maximum 10% of the success of the operation, in most of the cases good results are achieved by organizations which learnt to use correctly existing resources.

Case study: *Non-traditional approach to energy conservation*[41]

Issue: The factory processing buckwheat in Belaia Tserkovi town in Ukraine produced daily tens of tones of production waste. The factory consumed daily 18 thousand m^3 of natural gas for its steam cauldrons.

Existing solution: The factory burnt waste which cost 10 USD per tone. The factory bought natural gas to operate the steam cauldrons.

Innovative solution: The factory installed cauldrons which use production waste. The gas consumption was reduced by 3,9 mln m^3 every year.

By definition the key element of a best practice is breaking traditions, eliminating false ideas and superficial approaches to issues. New approaches can save resources, but often tradition is preferred to innovation.

Suggestion: By saving available resources, one will not have to look for unavailable resources!

It is known that free entrepreneurship is one of the building blocks of market economy. Practice shows that small business support infrastructure works best in areas that have competition and entrepreneurial spirit. This trend is observable best by comparing several localities. One could compare for example the towns of Cahul and Ungheni, which have similar populations, organization and resources. The key indices are presented in the table below.

[41] **A programme implemented by:** Entreprise group "БилоЦеркивХлибПродукт", Ofitserkaia 6, Belaja Tserkovi, Ukraine, tel. (044) 63225, 63324, web: www.auc.org.ua

Index	Cahul	Ungheni	Margin%
Population	43800	43000	1,86
Area, km²	14,06	16,4	-14,26
Total number of enterprises	3795	1253	202,87
Private enterprises	3690	850	334,11
State enterprises	2	55	-96,36

Source: The guides of towns in the Republic of Moldova, Tish, Chişinău 2004

One can notice that both towns have similar numbers of inhabitants and geographic location: both are border regions, located on important international routes, have railroads and are located close to big Romanian cities: Cahul to Galați, Ungheni to Iași. Nonetheless, Cahul is economically more developed than Ungheni and its urban infrastructure is more advanced. Ungheni has benefited from governmental funding to renovate the thermal heating system and set up the Free Economic Zone Ungheni. Nevertheless, the development pace in Ugheni is slower than in Cahul. As we have mentioned above, the only explanation is related to the factor which boosts urban development: entrepreneurial spirit of the local population.

There are twice as many enterprises registered in Cahul than in Ungheni. The most evident index of entrepreneurial spirit is the number of private persons involved doing business. There are three times smaller entrepreneurs in Cahul than in Ungheni. Moreover, there are only two State enterprises in Cahul as opposed to fifty five in Ungheni. In times of economic crisis in Moldova the population of Cahul proved to be more entrepreneurial. They did not wait for external solutions and developed the economy of their town step by step. Any tourist or traveller could easily notice the sharp difference between the two towns. Cahul has a renovated infrastructure, modern shops, hotels, restaurants, etc. These facilities are lacking in Ungheni as a result of the economic decline more intense in this town.

Suggestion: Nothing can replace the lack of entrepreneurial spirit

To mention that while Ungheni has a Free Economic Zone, there are two universities in Cahul. Development progresses not only as a result of planned activities within free zones, but also by creating managerial abilities. Entrepreneurial spirit helps implement best practices, but also set the basis for future development. One of the big challenges faced by post-soviet societies is the lack of philanthropic culture among population and businesses. This fact impedes raising local funds. Most of organisations are confined to request external funding. One could consider the initiative to develop the philanthropic spirit in our society as best practice.

Case study: *Rebirth of philanthropy: possibilities proven by facts*[42]

Issue: Philantropic activities have been banned for about 60 years (special decision of Sovnarcom in 1923 and in 1929). This determined to a large extent the philanthropic culture of individuals and businesses. Fundraisers know that business people have a wrong perception of philanthropy and it is difficult to raise awareness among them.

Existing solution: The only way of encouraging philanthropy is to legally grant fiscal facilities. However, the legislation does not create philantrops as such, it mearly encourages certain activities in that respect. In other words, the legislation itself is not enough for philanthropy; one has to be convinced that he or she is doing the right thing. The law stipulates facilities for those who are already determined to do charity.

Innovative solution: The "Dobrota" Fund from Donetsk, Ukraine ran several activities aimed at relaunching the philanthropic spirit in the Ukrainian society. The innovation was that the philanthropic fund acted as "business pro-bono" making use of approaches applied in the private sector. The Fund used the integral communication strategy, which includes the following elements: direct social marketing – 35 letters are sent out daily, 350 telephone conversations are held, 185 boxes for raising donations, and 5 meetings with enterprise managers are organized; specialized activities – TV and radio marathons, auctions, public presentations, conferences; public awareness – media publications, internet, TV and radio programmes; social publicity – publishing leaflets on various subjects, posters, bulletins, etc. All these modern marketing tools used professionally contribute to public awareness and as a result to raising funds for various social programmes.

[42] **A programme implemented by**: City Charity Fund "Dobrota" from Donetsk, contact person: Iacob Rogalin, address: 26, Shevchenko Av., of. 413, Donetsk, 83017, Ukraine, tel.+38 0622 95 42 18, +38 067 623 30 06, e-mail: fund@crf.donetsk.ua, website: www.dobrota.donetsk.ua

While the majority of people complain about difficulties of fund-raising, the Ukrainian experience shows that those really interested could be successful.

Suggestion: No one will raise awareness among donors but you.

Each organization should have a plan of working with potential donors. Relations with donors should be based on partnership. In this respect it is important to use all means of raising awareness and negotiation available in business.

III. KNOWLEDGE MANAGEMENT CYCLE

1. Who creates knowledge?

Each organisation possess a wide range of knowledge (employees' individual experience, practices, methodologies, documentation, etc.) which could significantly contribute to the success of the company if it is efficiently applied. Consultancy programs facilitate discovery, codification, storage, amplification and distribution of knowledge within an organisation. For example, it is very important that an organisation identifies its so called knowledge points, that is persons "who know those that know".

These persons represent in fact the knowledge architecture of an organization. They are able, formally or less formally, to ensure the management of information and knowledge throughout the creative cycle, that is from the beginning to the destruction / consuming of information. They help organisations use values at their best and capitalise their investments (not necessarily in financial terms).

Organisations who wish to become more competitive have to implement adequate solutions in managing the knowledge at their disposal. These solutions could be related to integrated data bases, allowing users to access, search, report, co-operate, analyze, monitor and evaluate the explicit and implicit contents of the activities of an organisation. In order to provide for efficient management of the activity cycle, organisations have to plan their efforts according to several logical stages:

- Management of the business process refers to the overall activity cycle of a company. The first aspect of total solutions related to integral management is connected to the implementation of a business management process (BMP) which provides for the automatic and supervised implementation of the process, integration of various components of management of contents, definition of events and indexes of an enterprise, and maintenance of overall coherence of policies.
- Data management is the second aspect of this comprehensive solution. Organisations need to consolidate, organize and classify important amounts of data, transforming them into valid, consistent and up-to-date information. During the process, this huge amount of structured

and unstructured data is enlarged and converted into smaller quantifiable units, which correspond to document management, data integration, knowledge management, cooperation, report management and reporting.

- Knowledge management and technologies of integration of information are essential to management of structured and unstructured information, which helps identify best practices, experience and information. Using a series of appropriate tools, the persons responsible for expanding "knowledge basis" within an organisation decide which elements are relevant and necessary for taking strategic decisions.
- Meta-data management is the final element of the strategy. An impressive number of meta-data is generated during several stages of the activity cycle (put simply it is information about information). Meta-data confer additional meaning to the information circulated within an organization, transforming it into "contents of the context". It is very important that meta-data are collected, managed, reused and transmitted in the network to convey important information about on-going activities. Meta-data management provides for changes of meta-data, data reports, impact analysis, contents documentation and, finally, supports and organizes the compatibility of general efforts with the regulating framework (mission and objectives to be achieved). Meta-data are important elements for search and classification where they are used as a tool by validating the relevance of information, contributing to refining the search. Meta-data are also used to create internal taxonomies.

There are other organizational elements which depend on the amount and quality of knowledge available and which can be used. Once knowledge is codified, it is important to provide free access to these forms of knowledge to all those who need. A possible solution would be to set up an electronic knowledge base, which could help an organization develop all the tools and methods that lead to eventual increase in productivity. An example in this sense is the intranet of the company *Inoventis* (http://www.inoventis.ro).

Who, what, how much...? **Inoventis Deontology** **Consultancy** **Portfolio** **Media** **Partners** **Knowledge**	An organization that das not learn from its own experience and das not explore efficiently its intellectual resources cannot face the competition based on knowledge aiming to became predominant in the current economic situation. There are two generic types of knowledge important for the success of an organization: existing knowledge and new knowledge, also known as innovation.
	We are looking for creative persons to participate in brainstorming sessions. details >>
	You can become a partner of Inoventis by participating in the programme for young companies. >> details

Please contact us by ***email*** for further information. Inoventis respects the ***confidentiality*** of data received from our customers. A glossary of knowledge management terms is available ***here***. You can also read ***case studies, articles and book reviews*** related to knowledge management and innovation. Find out what are the ***benefits*** of co-operation with Inoventis.

Surviving in a competition environment depends largely on the innovation capacities of companies, more specifically, on the range of products and services, as well as on marketing and internal developments. This is the area most likely to generate increased incomes and reduced expenditures.

What happens if one does not implement innovations and is happy to copy competitors? Inevitably, the company will lose ground on the market in favour of more creative competitors. The latter will be able to find solutions in order to satisfy increasingly sophisticated customers, will identify ways of reducing costs and will come up with new marketing approaches, and will eventually oust you from the market.

One can stimulate innovation by implementing innovating management programmes, as well as creative methods and techniques. It is for this purpose that we design and develop together with our customers a policy of stimulating innovation within organizations in order to encourage valuable

ideas and make them happen. In addition, we provide assistance in finding situation-tailored solutions. We are involved at all stages of project development.

Knowledge-based professions develop rapidly because organizations need people possessing abilities, training and know-how necessary to get knowledge from various sources, to systemize and structure it, to process and use it effectively. Gradually, knowledge experts get to know each other and develop a community of their own.

Knowledge experts have multiple tasks which include representing various types of organization knowledge, developing methods and systems of structuring and accessing of knowledge, distributing and providing knowledge, storing and finding knowledge, etc. Knowledge experts aim to improve the access to and quality of knowledge, so that the organization has a clearer understanding of itself and its environment. With that goal in mind, knowledge experts design and develop knowledge-related products and services which promote learning and understanding. They preserve the memory of the organization in order to ensure continuity and context for action and implementation.

Middle managers are considered to be the key actors in generating knowledge. There are, however, significant cultural differences. In Japan, it is the responsibility of each individual rather than a specific group to generate new knowledge. Consequently there is no department or group of experts entitled to generate new knowledge. Employees, middle level managers and top leaders are all involved, even though there is a clear and strict administrative hierarchy. Knowledge emerges as a result of interaction between each member of groups.

The first category of employees deal with every day work, being responsible for technologies and products launched on the market. They have large amounts of data and practical information which is not easy to transform into knowledge given their daily responsibilities.

Middle managers delineate the direction that the company should follow by applying competitive strategies or a theory of the market "niche" available. This general theory helps articulate activities which appear to be scattered or of the business. Executive managers set a vision of behaviour or policy which include the basic aspirations and ideas that determine the quality of knowledge desired by the company. Finally, executive managers set the direction by establishing standards for the quality of the created knowledge.

Middle managers are bridging the gaps between the visions of the executive management and daily work performed by the employees. Middle managers are mediating between "what we want" of executive managers and "what we have" of employees. Middle managers represent the key element in the process of continuous innovation in Japan, whilst in the West "middle manager" is equivalent to "stagnation", "reluctance to change" or "rigidity". The continuous search for managerial solutions led to setting establishments speeding up managerial innovation: "knowledge centre" or "corporate university".

The distinction between **explicit and implicit knowledge** is mainly related to the western approach (knowledge management) and Japanese approach knowledge creation. Explicit knowledge can be easily processed by using computers, electronic data or data bases. The subjective and intuitive nature of implicit knowledge complicates the transmission of knowledge in a systematic or logical way. Searching led to significant results, especially in the area of new solutions for knowledge management, not only by companies producing intellectual goods (consultancies, research laboratories), but also by companies producing intellectual- intense goods (for example electronic or pharmaceutical goods). The most convincing examples are the companies *Skandia, Ernst & Young*, *Microsoft* or *Bucknan Laboratories, Ericsson*. One could also mention public institutions, for example government authorities from the Scandinavian countries who apply the system of negotiated economy based on social consensus and professionalism.

In an article published on Knowledge Management Forum, Karl Erik Sveiby identifies two ways of applying tools of knowledge management: (1) management of information and (2) human resources management. He observes critically the "mechanic" way of applying knowledge management[43]. There are three general views on this management:

Mechanicist: This approach is based on the idea of using technologies and resources to produce more of the same quality. Supporters of this approach focus on using network technologies, data bases and internet research. As a rule, this approach is simple and easy to implement due to rational corporative policies, because purchase of equipment and technologies is a usual practice for organisations.

[43] Rebecca O.Barcklay, What is knowledge management? www.media-access.com

Cultural / behavioural. Supporters of this approach tend to notice deep changes in management tools. According to them, technology is not a solution, although it is key to management of explicit knowledge, aiming more at innovation and creativity (the term "learning organisation" derives from this approach). The working hypothesis is that "organisational behaviour and culture can be changed, while traditional technologies and ways of solving knowledge related issues are no longer efficient, a holistic approach is needed". They also maintain that cultural factors, which impact organisational change are underestimated and only changes in behaviour could ensure long-term benefits.

Systematic. This approach preserves the traditional belief in rational analysis, maintaining that management issues could be solved by a new approach on knowledge. Adepts of this approach believe that sustainable results matter more than process or technology. A valuable recourse cannot be managed unless it is adjusted to the needs of an organisation. Knowledge management is developed as a branch of management, yet it does not entirely depend or belong to managers within an organisation or firm.

2. Codifying knowledge

Evaluation tools for knowledge and applied methods help organisations, individuals, and nations[44] in their effort to evaluate and gauge current state of affairs. The volume of knowledge to be evaluated represents the "knowledge reserve, which can facilitate new socially useful services unknown at present". As opposed to data known as virtual objective property, knowledge represents a property of subjects ready to act under certain circumstances. Boisot maintains that values related to knowledge manifest themselves in the form of technologies, competences and capacities. Technology is defined as "a system aimed to produce different physical effects". Competence is defined as "organisational and technical abilities used to achieve a certain level of performance in the process of producing those effects", while capacity is "a strategic ability to apply and integrate competences into a wider process"[45].

[44] Yogesh Malhotra, Measuring Knowledge Assets of a Nation: Knowledge Systems for Development

[45] Boisot, M.H., Knowledge Assets, New York, Oxford University Press, 1998

Codification of available knowledge within an organization aims at transforming knowledge into a form which is available and accessible to other persons. The most common means of codification are written and spoken languages. High quality coding means first of all linguistic and pedagogical abilities in order to be able to adjust knowledge to the intellectual level of the beneficiaries.

Knowledge available to companies are divided into *effectively accessible* and *potentially accessible*. There are "dark areas" in knowledge available to a firm. Current practices of implementing knowledge management resulted in division of tasks of "sharing innovative knowledge"– positive or best practices[46] – which implies using these tools with the clear goal of improving the quality of the performance of a given entity.

The concept of "innovative knowledge" is based on the idea that innovation is necessary for the future, including both dimensions of the innovation process: creating and converting new ideas into viable products needed for sustainable development. Undoubtfully, even the strongest supporters of this utilitarian concept acknowledge the primordial nature of knowledge as nucleus of any innovation, coming before finance and even technology. Replenishing and managing the stream of knowledge is perhaps the most distinct theory of development over the past ten years[47]. Techniques of "innovation knowledgement" are a permanent and specialized focus of executive management[48].

Knowledge innovation revolves around the idea that any innovation is a means of improving competitiveness in the future, including aspects related to generating and converting ideas within commercial products, on top of setting the basis for future sustainable development. It is acknowledged that knowledge is the main key to success, rather than finances or technology. Supporting and managing the streams of new knowledge seems to be recently contribut-

[46] The term "best practice" means here "practices considered to be superior in their approaches and results compared to others. Such practices could emerge in the form of processes, studies, polls, evaluation indeces or research. They represent subjects which affect experts' attitudes, research, knowledge of industrial cycles. Best practices often make use of various environemnts and organizations, and depend on time constraints. Arthur Anderson (Heibler, R., Best Practices, Touchstone, 1998)

[47] "Knowledge values nothing if it does not benefit society " Staszik, 1800's

[48] "Knowledge innovation is a process of creation, evolution, change and implementation of ideas in the form of products and services on the market, leading to the success of a firm or an organization, be it public or private, confirming therfore the sustainability of the economy of a country and the level of development of society " – Debra M. Amidon.

ing most to creating knowledge-based economies. Creation, evolution, changes and application of new ideas within products and services depends on: (1) the success of the company; (2) viability of the national economy; (3) level of development of society.

Usually, introducing knowledge management tools within any organization has the following objectives:

- Improving decision-making process;
- Reintegration of corporative experience;
- Increasing the number of innovations;
- Transforming information into knowledge;
- Obtaining new knowledge.

European organizations are well known for setting and upgrading performing evaluation systems of its intangible values (knowledge) and public reporting on its results.

Explicit knowledge: type of knowledge expressed and transmitted formally. Manuals and guidelines contain most often this form of knowledge.

Implicit knowledge: knowledge gained as a result of personal experience. Codifying this type of knowledge is more difficult because it depends on the requirements and values of the person gaining it. That is why implicit knowledge means different things to different persons. It is also known as tacit knowledge.

Data mining: overall process of searching and manipulating data from databases. This form of data "mining" aims at revealing unknown or less visible relations between data. Modern marketing often makes use of results obtained from data mining.

Digitalization: transforming analogue data into digital data that is into the binary system (0 and 1). Data are, thus, made ready for processing by computer systems. A simple example of digitalizing is scanning a painting and transforming it into a computer image.

Distributing contents: the action of transmitting the contents (codified knowledge) in an accessible form to persons and groups in need of those contents in their every day activities. Information could be transmitted by electronic means (for example by posting on the company portal), by direct means, i.e. training courses or informal communication among colleagues. It is important that information is transmitted in due time and its content is not altered.

Copyright: the right of the author over his/her literary or arts work. According to the law, the copyright enters into force the moment when the au-

thor starts creating the work and ceases effect usually several decades after the death of the author. No formalities are required for the recognition of copyright, but it is advisable that users of a given work be informed in advance. The English term is "copyright", hence the international symbol ©.

Inference: the rationalization process which leads from hypotheses to conclusions. Induction and deduction are basic form of inference. Full understanding of the way inference works could help to apply it to the benefit of "inference tools" which would lay the foundation of an artificial intelligence system.

Information: data whose meaning result from transformation. Translations from one language into another is an example of such transformation. Therefore words from a foreign language (data) become intelligible for the reader, in other words they become information.

Knowledge infrastructure: an integrated information system which is used to obtain, store, distribute and process knowledge. The main elements are the data network, computers and peripherals (scanners, printers etc.).

Innovation: improving a process or a product. We consider innovation to be a 'distant relative' of invention. In Anglo-Saxon countries innovation means a complex process which starts off with invention and finishes with a successful product or service on the market.

Artificial Intelligence [AI]: informational system which attempts to stimulate human intelligence. There are different opinions as to the current level of AI, however it will take more time to design information systems able to understand human language and able to act as humans. However, in some specific fields, there were implemented computer programmes where performance is equal to or better than human performance.

Integration of knowledge: the process of combining different activities of knowledge management into a single unit, which would cut across the activity of the entire organization. Integration generates a common intelligence, which means more than the total individuals it is composed of.

Invention: a completely new product or procedure. In order to be patented, an invention should not only be innovative, but also be industrially beneficial and provide a rather detailed technical solution. Obtaining a patent implies long-lasting and rather costly procedures performed by a State agency. In Romania, the only institution authorized with such activities is *The State Office for Inventions and Trademarks.*

Intelligence: intelligence / wisdom is at the upper level in the pyramid of knowledge. Primary data is at the basis of this pyramid and these are later

processed in order to obtain information. Information is correlated and combined in order to generate knowledge. Finally, applying knowledge adequately is the effect of wisdom, which is partially composed of implicit knowledge.

Corporate education: the process through which an organization (company, institution, etc.) is adapting to the environment learning from own actions, but also from external sources. Obviously, the basis of this process is individual education of members of an organization. But in order for this to happen, it is necessary for a culture which attaches importance to education to exist.

Knowledge management: the totality of activities aimed at identifying, codifying, storing, distributing, improving and using knowledge within an organization. Any organization, regardless of the field of activity and size, could become more successful if it makes proper use of the intellectual abilities of its members. Knowledge management aims at exploring these resources in order to achieve the objectives of the organization.

Information Management: the activity which coordinates gathering, storing and distributing information from the source to the user. This activity is facilitated by a well defined infrastructure.

Meta-data: also called "data about data", represent information about the characteristics of a digital object which allow to find and reconstruct an object. For example, a digital image could contain its description, so that it can be reconstructed or found by a search engine.

Innovation Stimulating Policy: all means by which an organization encourages its employees to find creative solutions to current challenges. The means used most often are public acknowledgement of employees' input and financial compensation for outstanding ideas. In order to stimulate ideas, a document outlining the policy of the organization is not enough; it takes a real corporate culture, an attitude on behalf of the management to let the employees know that new ideas are welcome and implemented.

Intellectual property: all forms of property on some products of the intellect. The main forms of intellectual property are inventions, trademarks, industrial designs, brand names and copyright. Protection of intellectual property is done through certificates issued by the specialized institutions of the State, keeping secrets and other means. See also: ***invention, copyright***.

Expert system: information system composed of a knowledge base created by human experts and which, with the help of inference algorithms can make decisions depending on incoming data. For example, such a system could be used to diagnose illnesses with complex symptoms.

Real time: is the speed with which an information system takes data from a source, processes and displays them or forwards them on. For a human observer, a process carried out in real time is practically instant. In reality, the time is measured in the hundreds of fractions of a second or even less. In order for an application to work in real time large transmission and procession capacities are required or the volume of data processed is limited.

Various trends in modern world show the increase of informational resources. Such information is produced on large scale and distributed wider than ever. Some say that producing large quantities of information does not mean that we live in a better informed society – people suffer sometimes from an informational flood, yet relevant information is absent.

Positive practices are often kept secret on grounds that potential competitors could be disadvantaged. In reality, withholding relevant information is first of all to the disadvantage of the employees who were deprived of access to meta-data on positive practices and lack of communication with the employees undermines the authority of the organization as such.

3. What is innovation – oriented knowledge?

In order to create capacities needed to address the development needs of an organization, a set of minimal conditions should be met: dedicated people, the wish to learn and relevant technologies which should be applied in accordance with the strategies of the company, its goals and objectives.

As a rule, these developments are promoted according to the principles of a knowledge based society, by selectively applying a public intellectual good regime (free access), which became information for virtual communities:

- Availability of new concepts and solutions on portals or websites with archives of electronic publications and libraries with trial versions of informational programmes available;
- Maintenance of virtual dictionaries to integrate the language specific to the field (for example, www.bus.utexas.edu/kman) ;
- Creating forums (for example, www.km-forum.org), discussion groups on Internet and personal websites of participants involved in development of this field;
- Accreditation of education programmes (including virtual programmes) of developing knowledge management skills (for example, The Knowledge Management Professional Society - www.kmpro.org);

- Starting international partnerships and projects to streamline the activities of different centres across the world active in the field of knowledge management, innovation and corporate education; for example the European project MACIS (www.hellasnet.gr/macis) aims at studying the impact of information society on organizations and adjusting the curriculum of higher education in management accordingly.

Such an initiative would easily fail if new technologies are implemented into an old format, a fact which would inevitably lead to unsatisfactory results. Adopting an overall approach of knowledge of the activities of the organization should be regarded as an element of the process of change and transformation of responsibilities of its employees, which would help the organization to fulfil its tasks.

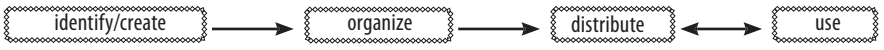
Starting with data and information, which are totally irrelevant if not referred to space and time, this process should be designed strategically and not as a one-off event out of the context of usual activities performed by the organization.

An organization which does not know and explore efficiently its intellectual resources cannot be up to competitiveness based on knowledge, which tends to dominate in the economic field. There are two types of knowledge, important for the success of the organization: *current knowledge* and new knowledge, also known as *innovation*.

Within traditional organizations, knowledge tends to follow a top-bottom pattern. This makes it for knowledge to be less available in due time and acceptable format, there where it is mostly required. Organizations which manage knowledge, information could be transmitted by all persons who use it in a way which promotes the objectives of the organization best.

In this respect, knowledge based society is self-managed by increasing the inflow of information, on which everyone is dependent regardless of nationality, sex, race, social group (different levels of intensity). There are authors who for various reasons are against knowledge society. They claim that by using knowledge society we would deny the role played by knowledge and innovation at other times of society development.

The cycle of knowledge creation contains the following elements:



The first element – create – knowledge is gathered by means of conferences and internal analyses, sharing experience, research and expertise of the prod-

ucts of an organization. At the next level of the cycle – organize – knowledge is filtered and systemised based on its categories, being correlated to other types of experience. Later on, information is distributed by the groups of beneficiaries, including by high-tech electronic means, internet and other technical means, or by means of conferences, articles in the media or communication channels established in a cooperative environment.

The elements of "organization" and "distribution" require, usually, employment of a knowledge manager. His / her responsibilities include identification of positive practices (best practices), indexation and systematization of new information, acting as information broker who can assist employees in contributing and benefiting from the knowledge they need. The knowledge manager could act, at the same time, as a promoter of positive change within, but also outside, the community of those who work in the field.

Who does this cause link work when positive practices should go beyond one single organization, should be transplanted in order to generate innovation in other environments or organizations? There are sometimes unbelievable blocks in identifying and mobilizing new knowledge.

In this context, it would be worth while mentioning a story of a teacher from the Caucuses, who agreed to be paid by the parents of his pupils with a bucket of alcohol at the end of each month. To his big surprise, at the end of the month, the teacher found out that the barrel filled by parents was full of spring water, instead of the requested alcohol.

Each of the parents thought that a bucket of water would pass unnoticeable in a barrel of alcohol. Although everyone lied in order to gain, eventually everybody lost. There is a similar situation in the field of corporate knowledge. Few are those who wish to share their professional "secrets", methodological resources which enabled an organization to win in the competition against other organizations, etc. To use a metaphor, no one wishes to "pour" "priceless" intellectual products into the common bucket, without being reassured that this actions would not backfire and harm the financial interests of the respective organization.

A leader of an organization in the social sector remarked:

…"when requesting positive practices from an organization, the first reaction is suspicious and sceptical. In fact, even the leaders with good intentions appear to fall into ordinary institutional egoism, which impedes them to see immense benefits of creating a network of people practicing it guided by the principles of complementarity and synergy. Everyone is suspicious of everybody, smile wittingly and do nothing"….

Obviously, formalizing individual knowledge requests additional time, but the problem lies elsewhere. People are afraid to lose their importance within the firm, their indispensability and value. Experience shoes that it is impossible to try and prove the contrary verbally; a different approach is required.

Metaphorically, one has to walk around the village with the bucket of alcohol and let everyone taste, informing them that the bucket with pure alcohol will be poured into a collective barrel, and those who don't believe could taste it. With time, your example will be followed by more people, a reversed 'spring water' mechanism will be launched. Each individual likes to be regarded as an integral, indispensable and important person. Few want to be black sheep, as well as fewer want to be altruistic.

4. What is the link between information-based and knowledge-based society?

When one finds information, the first reaction is to understand how information is related to the context. Looking for this link, it is worth mentioning the following important characteristics of some products typical for knowledge-based society: knowledge is regarded as an organic element of the functioning of the whole system. This means in fact adopting a revolutionary vision on history. According to others, changes are evolutionary rather than revolutionary. In our opinion, knowledge – based society has the following characteristics:

- developing information societies, distribution and use of new information technologies increased the capacities of collecting, processing, storing and communicating large amounts of data and information;
- importance of increasing innovation (not only in the case of IT), including within organizations, mean a lot in terms of national and corporate competition, stimulating the development of strategies to boost efficiency and efficacy of organizations of any kind;
- development of service-based economies, where the bulk of economic activities, employment and production, occur in the service sector of economy, where "services" are an important management principle when organizing sectors and where specialized services (especially Business Services based on intensive knowledge) provide inputs for organizations;

The American and west-European visions formed in organization environments with preponderantly individual values focus on distribution and application of knowledge. On the contrary, the Japanese vision focus on producing knowledge, its distribution occurs in an environment centred on group values. The Western approach views the levelling of hierarchical differences as a solution required setting up knowledge-based organizations. In the Japanese approach, the same goal is achieved by top level hierarchies. As a ware-house does not stand for a system of managing resources, similarly a collection of information does not represent knowledge management. Based on this stipulations, knowledge has the following characteristics:

- contents (idea and context of application);
- actuality (knowledge should be "alive", preserving its general long-term utility for a subject);
- multiplication of results and application of knowledge by other persons.

The logic behind this classification is so clear that few would venture to contest it. Nonetheless, in every day life, most organizations and firms believe that introducing new practices which could "filter" in a creative way the tools and best practices producing within a certain time limit is troublesome and difficult to implement. However, because a lot has been said recently about the importance of knowledge management, many of managers or executive representatives of some public organizations attempt to hide their ignorance behind various quibbles or bureaucratic arguments. The arguments used most often are:

a. **Organizations do not have time for knowledge management.** They say that their employees are "so busy with problems so that they do not have time for knowledge management." Perhaps your employees are so busy because they waste time on searching for useless data / information? (50%) Do not know who of their colleagues have the experience of resolving certain issues faster. In other words, your colleagues have to answer daily the same questions: what, where, how? instead of providing the answer once.
b. **Knowledge is related to technology:** One of the most widely spread mistakes among managers is that innovation and multiplication of new knowledge are regarded exclusively as the result of "re-usage or update technology" within these firms. Consequently, knowledge management is perceived as a purely technological solution with the need to create new portals or ware-houses filled up chaotically with various

formal data and knowledge (reports, letters). Many employees of some prestigious firms say proudly that they have access intranet where they can find anything. Can anyone though specify the procedures used or the extent to which these data are used efficiently? Technological decisions (tools) play undoubtedly an important role in providing procedures for knowledge management. However, one sometimes forgets that organizational tools are not worse than technological tools. Is technology always indispensable to ensuring knowledge management? Let us remember working meetings, brainstorming sessions in view of identifying solutions for urgent tasks, interviews with experts, etc.

c. **Limiting knowledge tools:** Often managers (especially of public organizations) are tempted to make use of knowledge codification. However they do it with indolence and do not diversify options accessible in the field. When one hears that "we've got everything we need in our intranet", I remember a Chinese aphorism: "little knowledge that works is more important than much knowledge that does not work!". It is wrong to believe that the more information available, the more useful it is for the company. In reality, what happens is that the number of employees is way to high. Thus, unorganized and unstructured resources are difficult to use. The absence of structure, not the amount of information, is the main problem hindering to cope with increases in the amount of information. We manage knowledge (store, structure, adjust).

d. **Collecting irrelevant data:** Many managers request mission reports which are later filed into a special data base. Does anyone still remember the results of such an initiative? Usually, these reports are never searched for in the database, are not read and are forgotten forever. There is a bitter aftertaste of knowledge management by saying "been there, tried that, it does not work". Why does it not work? It happens because this knowledge is not vital to the efficient functioning of a firm. Consequently, it is meaningless to store it. On the other hand though, don't you think you would rather participate in discussing new strategies for your company, promoting new products and ideas, especially if some could be rewarded with prizes by the management? You would obviously become more open and would like your ideas to be heard by the management of your company.

e. **Making good use of the human potential:** Although this statement might appear to be a quote from a bureaucratic report, it is worth men-

tioning that often gathering relevant knowledge is blocked by existing prejudices within an organization, synthesized by the phrase "knowledge mining". Is any of you willing to be a mine where knowledge is extracted from? One easily associates this with tongs and a normal reaction would be to avoid any "surgery". What would be the best motivation for knowledge sharing? For many of us it is important that our opinions be taken into account by the management and our colleagues to acknowledge our authority in a specific field, and our proposals to set the basis for the market strategy of the company. For many of us, non-material incentives (acknowledgement, authority, respect) matter more than anything else. On the other hand, would we be willing to invest into knowledge management if it does not have any impact on our professional activities? The answer is likely to be no. Most certainly one should not oblige anyone to share knowledge, one should create conditions that would make sharing profitable.

g. **"Local specificities":** We have become allergic sometimes to borrowing techniques. Nevertheless, those who do not wish to contribute personally to change refer often to the so – called "local specificities", claiming that "this practice" does not stand any chances in Moldova or Ukraine, that "our mentality" is not ready to accept some innovations. There are people who believe that knowledge management techniques would be impossible to implement under "our" conditions because western experience is not applicable to post-soviet realities. Wrong! It is not to say that one should apply automatically everything. However, it is impossible to ignore the fact that defining goals and objectives of knowledge management, structuring and developing useful resources, communicating and codifying information required for performing a job, using some technologies are vital and inevitable.

h. **"Let's not waste ideas":** Finally, one of the most common fears which hinders circulation of positive practices in society is the fear that someone could take advantage of the practices earned with great effort and own resources by a firm or public organization. This is explained by the fact that most of the Moldovan firms are closed information systems; inner processes are secrets and are formed following a limited knowledge management model. The management of the company have access to all resources and information, while simple employees store certain types of knowledge (reports), but do not always have access to internet. From a classical point of view, non-participation of

employees to creating positive practices and knowledge is detrimental to the competitiveness of that organization. If the company management takes into account their opinions, the latter could become useful experience to other employees.

i. **Who contributes to creation of knowledge and how:** We will finally refer to the false idea according to which new knowledge are necessarily related to "the most competent people in the organization". Therefore the focus on the "most educated" employees and experts within an organization confines knowledge management to a secluded group of people. How does one know that some of the colleagues will not posses the same knowledge and experience shortly? It is natural that most of the persons who initiate or promote innovation within an organization are usually with the management, which enables them to play an important role. However reducing this process to the management only could be detrimental to the expected performance. The likelihood of benefiting from such a process is compared to an ocean. The problem is that most of those willing to benefit taste this ocean of opportunities with a spoon.

This long list of mistakes related to knowledge management is caused by the different meanings conferred upon the term of **knowledge management**. There is a wide variety of literature on knowledge management which stirs diverging opinions. When available definitions are somehow unclear, managers tend to oppose integration of this kind because "it is too complicated for us" or because "we do not have the required experience". The main issues is that knowledge management is of key importance to the functioning of organizations, a fact which drives us to create the conditions necessary to use experience and knowledge to fulfil important tasks for the company.

5. Local characteristics of knowledge-based societies

Streamlining the activities of organizations and individuals along knowledge lines leads to a conventional delimitation between theory and practice in related fields (knowledge management, corporate education, intelligent systems). Design of new concepts and solutions, regarded at first as separate activities, are integrated into projects, open for discussions within communities, including at the international level, and are brought into life in the form of

models, tools and organizational practices. Their innovative dynamics shows that knowledge means first of all being original and diverse.

The American and West European visions emerged in organizational environments mainly based on individual values, focuses on distribution and application of knowledge. On the contrary, the Japanese view focuses on production of knowledge; its distribution is self-assumed in an environment traditionally centred on group values.

There are therefore two types of knowledge. The first type is explicit knowledge expressed in words and numbers, transmitted as data, scientific formulas, product characteristics, manuals, universal principles, etc. This type of knowledge could be easily conveyed systematically, formally, more or less intensely among groups and individuals. Explicit knowledge is a popular practice in the West. In Japan knowledge is perceived as tacit, mostly invisible and unexpressed, considered to be difficult to personalize or formalize and share with the others. Subjective opinions, institution and secrets of the "profession" fall under the same category of knowledge. Tacit knowledge are deeply rooted in individual actions and experience, but also in the ideals, values and emotions of a knowledgeable person.

Surprisingly, the Western approach regards levelling of the hierarchical pyramid as a solution necessary for establishing knowledge-based organizations. According to the Japanese approach, however, the same foal is served by top-level hierarchies. In such a context, although universities, especially European, American, Japanese and Australian universities have proven their standing, they cannot claim absolute priority in this field, as opposed to their traditional role in promoting new generations of ideas. Some companies, not necessarily large, active in various economic and cultural settings, transformed their current activities in a research and learning environment, as the new concepts of "knowledge centre" or "corporate university" seem to suggest.

A community of practitioners represents an informal network of persons who share common ideas and knowledge in view of developing interests and objectives "not necessarily as a team or working group, nor as a group authorize to deal with this activity" …, rather a network of persons qualified to do this job". Such a community emerges as a result of their strategic interest for a specific type of knowledge, thus attracting experts from various fields and of various social standings, various countries and specific fields of work[49].

[49] ENTOVATION® International fosters Communities of Knowledge Practice

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Annex Nr.1

EVALUATION GRID FOR POSITIVE PRACTICES

	The Title of the Positive Practice	Evaluation Criteria							Total
		I. Innovation	II. Multiplier Effect	III. Sustainability	IV. Partnership	V. Relevance	VI. Efficiency	VII. Efficiency	
1.	The Marshall Programme (ARIA)								
2.	The Moldovan-American Centre for Private Initiative (MACIP)								
3.	The Origami Centre from Moldova								
4.	Starting a new course: Civic Education / The Law and Us (for high-schools)								
5.	Starting the use of computers in the process of rehabilitating children with hearing deficiencies								
6.	The free microphone								
7.	Authorized education								
8.	Public awareness campaign on the risk of corruption								
9.	World without Barriers								
10.	Alleviating poverty by fighting women unemployment, establishment of "THE JOB CLUB"								

NOTE: Each positive practice should be evaluated based on the criteria listed below. Each criteria should receive a score between "0" and "5", where:

"***0***" — complete lack of this criterion within the practice;
"***1***" — reduced presence of the criterion within the practice;
"***2***" — low presence of the criterion within the practice;
"***3***" — the practice contains some of the specified criteria;
"***4***" — good but not overall presence of the criterion in the practice;
"***5***" — the practice contains integrally the specified criterion.

Margin: the evaluation margin is of 0.5 in order to correct / balance the score given to all practices.

Annex Nr.2

Title of the practice:

A successful title should provide an overview of the object, priorities and issues comprised in the study. The title should also be regarded as a criterion of interest for those readers who have a large choice. The title should be descriptive, clear, concise and interesting. Come up with a title of **2 to 4 words** to reflect the field and importance of the practice for the community.

Executive Summary:

The executive summary will include a short presentation of the practice in order to catch readers' attention by presenting briefly the key issue and the results achieved by implementing the practice.

Description of the issue:

Describe the issue that persisted prior to the positive practice by offering convincing arguments, statistical data, studies, etc. which show the existence of the issue. The description of the issue would contain answers to the following questions: When and how did the issue emerge? What were the causes? In which context did the issue emerge? Who did the issue affect?

Description of practice:

The key stage of the presented practice is the description of the innovation which will show the specific and general utility of the practice. The description will be based on an analytical framework to show the steps taken, innovative elements and the objectives set by the authors and their partners when implementing the practice. The analytical framework will include the options available to the authors of the positive practice, technical, political, social or other arguments used in taking decisions related to this practice.

Achieved Results:

This part of the presentation covers results achieved by implementing the respective practice. This section will include the relevant results of the practice, qualitative and quantitative qualifiers which confirm the sustainability of this practice. Results will be specified at the end of the presentation as they have to be supported by real facts, creating a strong impression on those who would like to learn authors' performance.

Recommendations:

Authors' recommendations could be vital in helping readers to get a better understanding of the general effect of best practices in their societies. This category will also include authors' opinions regarding previous ways of improving / re-applying / developing of some elements or of the practice in general.

Established Partnerships:

Please specify existing partners.

Location of practice:

Please specify the location where the positive practice was successfully implemented. Do not specify the place where it was elaborated.

Annexed virtual resources

Please list all electronic resources annexed – studies, reports, evaluations, researches, etc. – which add to the best practice described and which could be of interest to the regional organisations working in the field. These resources will be available online at www.iln-best.org within the ILN virtual resource centre specifying the sending organisation.

Authors and contact details:

Indicate one or more authors who contributed to elaborating and implementing this practice. Please include contact details: address, telephone number and email.

Annex Nr.3

Fields covered by best practices (Knowledge Management Overview)

Field	Region				Type of locality		Level			Re-marks
	North	Center	South	Chişinău	City / Town	Vilalge	Local	Regional	National	
1. SOCIAL										
1.1. Education										
1.2. Health Protection										
1.3. Social Assistance										
1.4. Integration of Minorities										
1.5. Community Development										
1.6. Human Rights										
1.7. Research										
1.8. Mass-media										
1.9. NGO Alliances / Networks										
1.10. Youth Involvement										
1.11. Volunteer Involvement										
1.12. HIV/AIDS and drug abuses										
1.13. Involvement of Women										
2. ECONOMICS										
2.1. Financial Sector										
2.2. Local Infrastructure										
2.3. National Infrastructure										
2.4. Industry										
2.5. Services and Trade										
2.6. Agriculture										
2.7. Processing Industry										
2.8. Tourism										
2.9. Folklore manufacturing										
2.10. Development of Small Business										
3. ENVIRONMENT										
3.1. Use of natural resources										
3.2. Environmental Protection										

3.3. Energy Conservation										
3.4. Territorial arrangement										
3.5. Public awareness on environmental issues										
4. ADMINISTRATION										
4.1. Good Governance										
4.2. Local Initiatives										
4.3. Local Partnerships										
4.4. Fiscal Decentralization										
4.5. Municipal Obligations / Duties										
5. CULTURE										
5.1. Ethnocultural Diversity										
5.2. Promoting Tolerance										
5.3. Archeological Sites, Monuments										
6. EDUCATION										
6.1. Accreditation of higher education establishments										
6.2. University Management										
6.3. Partnerships										