

ASSESSMENT STRATEGIES FOR KNOWLEDGE ORGANIZATIONS

WORKING METHODS FOR KNOWLEDGE MANAGEMENT

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ASSESSMENT STRATEGIES FOR KNOWLEDGE ORGANIZATIONS

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INTRODUCTION TO THE SERIES – WORKING METHODS IN KNOWLEDGE MANAGEMENT

Knowledge sciences as a discipline has a rich and diverse history dating back to the 1950s. In the past 70 years, the discipline has drawn theory and practice from economics, engineering, communications, learning sciences, technology, information sciences, psychology, social sciences, and business and organization management. To craft this discipline, we have developed our own language and terminologies, established our own peer-reviewed journals and built a rich research foundation, created a gray literature, and established a series of networks and conferences. Over the decades, there have been many knowledge management education programs, but there is no consistent curriculum, and few have sustained. It has been challenging for new practitioners to gain an understanding of the field. And while the practice of knowledge management is growing around the world, it has not yet achieved the expected organizational stature. For knowledge management to rise to the stature of other business functions and operations, it must be able to speak the language of business, align with, and support the way the organization works.

This series is designed for business and knowledge management practitioners. Working Methods in Knowledge Management is a multi-year and multi-volume series designed to address each and all of the methods required to establish and sustain an organization-wide knowledge management function. The goal of the series is to provide a business perspective of each topic. Each book begins by grounding the method in the business context – then translates established business models and methods to a knowledge management context. It is often the case that this translation expands and extends the business model and method.

The knowledge management literature is rich with introductory handbooks, guidebooks, cookbooks, toolkits, and practical introductions. This literature is an important starting point for anyone new to the discipline. We recommend any and all of these books as a way to build a fundamental understanding of the scope and coverage of the field. These texts will provide a good 10- to 20-page introduction to all of the key issues you need to be aware of as you embark on a new career in the field or have been assigned a new knowledge management role or responsibility. Once you have that grounding, though, we recommend that you look to the Working Methods in Knowledge Management texts as an intermediate source for understanding “What comes next? What now?”

Just as this series is not intended as a starting point for the field, neither is it an ending point. Each text is designed to support practical application and to foster a broader discussion of practice. It is through practical application and extended discussion that we will advance theory and research. The editors anticipate that as practice expands, there will be a need to update the texts – based on what we are learning. Furthermore, the editors hope the texts are written in a way that allows business managers to extend their work to

include knowledge management functions and assets. We will learn most from expanding the discussion beyond our core community.

JOINT ENTERPRISE, MUTUAL ENGAGEMENT, AND A SHARED REPERTOIRE

From the outset, the publisher and the editors have established a new and different approach to designing and writing the books. Each text is supported by a team of authors who represent multiple and diverse views of the topic. Each team includes academics, practitioners, and thought leaders. Every author has grappled with the topic in a real-world context. Every author sees the topic differently today than they did when the project began. Over the course of several months, through weekly virtual discussions, the scope and coverage were defined. Through mutual engagement and open sharing, each team developed a joint enterprise and commitment to the topic that is enduring. Every author learned through the discussion and writing process. Each project has resulted in a new shared repertoire. We practiced knowledge management to write about knowledge management. We “ate our own dog food.”

ACKNOWLEDGEMENTS OF EARLY SUPPORT

The series is a massive effort. If there is value in the series much of the credit must go to two individuals – Dr. Elias Carayannis, George Washington University, and Dr. Manlio Del Giudice, University of Rome. It was Dr. Carayannis who first encouraged us to develop a proposal for Emerald Publishers. Of course, this encouragement was just the most

recent form of support from Dr. Carayannis. He has been a mentor and coach for close to 20 years. It was Dr. Carayannis who first taught me the importance of aligning knowledge management with business administration and organizational management. Dr. Del Giudice has been generous with his guidance – particularly in setting a high standard for any and all knowledge management research and practice. We are grateful to him for his careful review and critique of our initial proposal. His patience and thoughtful coaching of colleagues is rare in any field. The field will reach its full potential as long as we have teachers and editors like Dr. Del Giudice.

PREFACE

OVERVIEW OF THE SUBJECT MATTER

Why do knowledge organizations assess? Knowledge organizations assess because the future is unpredictable and complex. Knowledge organizations assess because the way they do business is changing. Knowledge organizations assess because they need to continuously understand the change that is happening around them, to continually adapt to that change, and to get ahead of or drive the change. We cannot assume that the environment in which we will operate two years from now will look anything like it does today. Assessment becomes the method that helps knowledge organizations navigate change. As organizations transition from an industrial-based to a knowledge-based economy assessment models and methods need to be expanded and adapted to suit the new environment. Knowledge organizations need to manage and monitor their knowledge assets, the knowledge capacity and consumption of their business operations, and their knowledge management capacity.

The challenge that knowledge organizations face is that there are many and variant approaches to defining and conducting knowledge-related assessments. The current knowledge management practice is suboptimal. It often ignores the peculiar attributes and behaviors of knowledge. Simply applying existing assessment models and methods to knowledge is not sufficient. Knowledge assets, knowledge transactions, and

knowledge capabilities have unique properties and behaviors that may render traditional methods as unreliable or invalid.

Assessment is a critical management tool and widely accepted management practice in all types of organizations. Assessment is the process of gathering information to increase our understanding and knowledge of the nature, quality, or ability of someone or something. Assessment is a term that is used both formally and informally. It has both a general and a specific disciplinary definition. Informally, we all assess situations and things every day. Formally, assessment refers to a well-established discipline with a rich body of knowledge and well-defined, reliable, and valid models and methods. Successful organizations use assessment methods to evaluate anything and everything about the organization. We assess the efficiency and effectiveness of our business processes, the quality of our products and services, the performance of staff, the performance of investments, and so on. Assessment models and methods are taught in business schools, routinely published, and widely understood by stakeholders.

Assessment is conducted at every level and in every unit in an organization – by executives, line managers, supervisors, and staff members. Assessment help us to see how to adapt what we have and what we do today to what will work in the future. Assessment is a core element of every line of business. Organizations have at least one, and sometimes multiple, assessment strategies. Every organization has an assessment culture that aligns with its management culture and philosophy.

There is a need to review existing assessment approaches and to interpret and translate them for use in knowledge organizations. This book attempts to meet this challenge by reviewing the current assessment body of knowledge and defining assessment methods that are suitable, reliable, and valid for knowledge organizations. This book aims to help the

reader choose assessment methods, but it does not prescribe a model or method. The intent is to guide the reader through the process of selecting methods and designing a customized assessment approach that fits the needs of the organizations.

The authors draw from their practical and theoretical experience in designing assessments for knowledge organizations, from observing successes and failures in a variety of organizations. The text is a synthesis of that experience and their discussions. The text aims to fill a small part of the gap in the knowledge management field – and to serve as an incentive for a renewed discussion across the fields of knowledge management, knowledge economics, intangible management, and intellectual capital management.

WHERE THE TOPIC FITS IN THE WORLD TODAY

In the knowledge economy, managers need to have a full suite of methods and tools to help them navigate change. Knowledge capabilities and knowledge assets are critical factors for all organizations. Whether and how organizations transition from traditional industrial era organizations to knowledge organizations will depend on how organizations manage these capabilities and assets. Assessment is an important management tool. The traditional approach to assessment continues to serve organizations well, but it is not sufficient for knowledge organizations. Assessment needs to be expanded from its traditional focus on formal evaluations to include everyday, informal and continuous assessments. Informal assessments are essential to learning, innovation, and continuous improvement. We need new models and methods to help us transition from formal assessment and a periodic tool used only by managers to informal and routing assessments in our everyday operations.

The text also considers the relationship of organizational culture to assessment strategies. This is an important topic in the assessment literature but one that is not addressed in the knowledge management literature. It is particularly important when who conducts the assessment expands to include everyone, and when assessment is continuous. Evaluative or highly critical cultures may be less effective than cultures that support explaining and learning.

The text is anchored in the business but draws from other fields such as education, human resource management, product development, design thinking, and experimental research. The text builds upon the existing assessment models and methods and expands to address knowledge capacity building. The expansion of assessment models and methods creates a framework that any organization – of any size, any type, any structure, or operating in any economic sector – can use to navigate the transition from an industrial to a knowledge economy.

WHERE THE BOOK FITS IN THE LITERATURE TODAY

This is the sixth book in the Working Methods in Knowledge Management series. The text focuses on assessment as a practical business method. The text walks the reader through designing a holistic knowledge assessment strategy for an organization. The text does not provide solutions but helps the reader to decide what a solution might look like.

In the knowledge management literature, there is a significant gap on the topic of assessments. It is the intent of the authors to fill this gap, in hopes of generating a broader discussion of practice and experience with assessments. The peer-reviewed literature tends to focus on knowledge management maturity models and informal knowledge audits. There

are scattered examples of assessments of knowledge functions in the gray literature. There is little treatment of knowledge capital assessments. In addition, both the peer-reviewed and gray literature tend to focus on the initial stage of assessment—understanding the current state – and on the end stage – assessment of the results. While these are important topics, they leave the most important phase untouched assessment of the change process. Perhaps, the greatest challenge in the gray literature is the informal use of the term “assessment” to mean analysis generally. The tendency to focus on the end state of an assessment process can lead to confusion of assessment and metrics. While the two concepts are related, they are not equivalent.

THE INTENDED AUDIENCE FOR THIS BOOK

This text is written for organizational executives and business managers who are interested in expanding their assessment strategy to address the use of knowledge in business capabilities, the general performance and value of their knowledge management capabilities, and their knowledge capital assets. This book is written for knowledge management practitioners and professionals who need to design and operationalize a knowledge assessment strategy that will have the trust of organizational leaders and business colleagues. Finally, this book is written for assessment experts and researchers who are interested in expanding the scope of their discipline to include knowledge processes and knowledge assets.

STRUCTURE OF THIS BOOK

This book is organized into four sections and 11 chapters. Section 1 provides a general introduction to and overview

of assessment as it is practiced in organizations today at all levels – by individuals and managers. This section also provides a high-level overview of the body of knowledge of assessment models and metrics. Section 2 describes how assessment expands to cover the new knowledge capital and capacity of organizations. This includes assessing the knowledge capacity of the lines of business, the knowledge management functions and capabilities, and the knowledge capital assets of individuals. Section 3 walks the reader through the process of designing an assessment strategy that is aligned with its business goals and objectives and with its stage in transitioning from an industrial to a knowledge organization. This section also considers how to effectively communicate and present assessment results. Finally, Section 4 focuses on sustaining the knowledge assessment strategy through governance and the importance of aligning assessment with organizational culture.

Each chapter is written like a project description. While the authors can explain how to establish the foundation for and how to conduct assessments, we cannot tell you what to assess and what the result should be. Only an organization can make these decisions. Each chapter provides background information on the topic as well as references to additional resources – both theory and practice. Each chapter highlights the thought leaders and practitioners in that topic. Finally, the Appendix provides a high-level project plan that the reader can use as a template for designing their own approach. Each task and subtask in the project plan traces back to a chapter in this book.

Section 1. Assessment Fundamentals

- Chapter 1. Assessment for Organizations
- Chapter 2. Assessment as a Management Tool

- Chapter 3. Assessment Models and Methods

Section 2. Knowledge Management Assessments – Moving Theory to Practice

- Chapter 4. Assessment Models and Methods for Knowledge Organizations
- Chapter 5. Assessing Knowledge Management Capabilities
- Chapter 6. Assessing Knowledge Capital Assets
- Chapter 7. Assessing Knowledge Capacity of the Business

Section 3. Knowledge Management Assessments – Taking Action

- Chapter 8. Designing a Knowledge Assessment Strategy
- Chapter 9. Communicating Assessment Results

Section 4. Sustaining Knowledge Management Assessments

- Chapter 10. Getting Ready for Governance – Sustaining an Assessment Strategy
- Chapter 11. Assessment Cultures

CHAPTER SUMMARIES

Chapter 1 presents a general definition of assessment and describes how it is commonly used in organizations. This chapter considers why organizations assess, and explains how assessment has changed from the industrial to the knowledge

economy. This chapter also explains how assessment has changed from the industrial economy to the knowledge economy. This chapter also describes the current state of assessment in knowledge management. This chapter suggests that to discover the rich body of knowledge of assessment, we must expand our search to include examples that are embedded in other sources and examples that are defined by their tactics.

Chapter 2 provides a deeper dive into how assessment is used as a practical management tool. This chapter discusses who conducts assessments, why we assess, when we conduct assessments, and what and how we assess. This chapter also considers how the answers to these basic questions change in the knowledge economy and in knowledge organizations. The purpose of this chapter is to understand how we might adapt and expand existing models and methods to meet the needs of knowledge organizations.

Chapter 3 provides a high-level introduction to assessment methods. This includes a high-level review and characterization of the types of assessment methods used over the past century. This chapter also aligns methods with stages in the assessment model. The integration of models and methods provides a working framework for designing and conducting assessments in knowledge organizations.

Chapter 4 describes current approaches to assessment described in the knowledge management peer-reviewed, gray literature and conference literature. These practices are characterized in terms of their coverage of assets and capabilities. Current practices are also discussed in terms of their successes and failures as reported in the knowledge management literature. Existing assessment methods to knowledge assets, the knowledge capacity of business processes, and general knowledge management capabilities.

Chapter 5 provides a deep dive into assessing the organization's knowledge management capabilities. This chapter

offers a set of guiding questions that expand the assessment framework to eight knowledge capabilities. This chapter also highlights where methods exist, where there are gaps, and where we can borrow and adapt methods from other fields. This chapter highlights the need to bridge practice and research, to introduce rigor into common assessment methods, and to translate the theoretical research for practical use in organizations.

Chapter 6 provides a deep dive into the assessment of knowledge capital of the organization and its people. This represents a significant shift in how the organization assesses the nature, quality, investment, growth, and use of knowledge capital assets. The shift represents a change from viewing people as resources assigned to business processes to people as a primary source of knowledge capital and capacity. Assessment of knowledge assets also expands who conducts assessments and why from the traditional performance evaluation to knowledge capital asset stock growth and development.

Chapter 7 provides a deep dive into assessing how the business currently leverages knowledge. The authors propose a set of key questions that will help the business and the knowledge management assessment team identify assessment targets. Knowledge capacity assessments are aligned with and support the knowledge organization's vision and strategy. These assessments aim to improve how, when, where, and why knowledge is used in everyday business operations, how it contributes to the organization's products and services, outputs, and outcomes.

Chapter 8 walks the reader through the process of selecting assessment methods that support their knowledge management needs and are suitable to their organization. This chapter focuses on applying the framework and developing a full suite of assessment methods to support knowledge

capabilities, knowledge assets, and knowledge capacity building in business function. This chapter explains how to select a focus for assessment, how to identify and engage stakeholders, determining who will conduct the assessment, and the frequency and timing of the assessment.

Chapter 9 explains why it is important to document and communicate your assessment strategies, methods and results. The authors describe what an assessment story might look like and what it should include. This chapter also emphasizes the importance of enabling everyone to tell assessment stories. Telling the assessment story also means understanding the target audiences. Finally, this chapter emphasizes the connection between the assessment process and the organization's vision for the knowledge economy. Telling the assessment story is an effective way to report on progress against the vision.

Chapter 10 explains why it is important to support and sustain a knowledge assessment strategy. This chapter suggests that an organization should aim for some level of governance of assessment models and methods but expect to make progress incrementally. A sustainable assessment strategy means establishing a predictable and reliable repertoire of assessment methods.

Finally, Chapter 11 describes an assessment culture and explains why it is important to consider culture when designing and implementing an assessment strategy. Assessment cultures exist regardless of whether there are explicit or implicit. It is always important to recognize the existing culture, particularly where it tends toward judgmental or non-judgmental assessments. Finally, this chapter draws from the advice and guidance of assessment experts and considers the implications for knowledge organizations.

HOW THIS BOOK IMPACTS THE FIELD

The authors hope this book will contribute to the literature of business management by expanding the discourse about assessment to include knowledge capacity building, knowledge capabilities, and knowledge assets. This book anchors the discussion of knowledge management assessment in a business context and interprets and expands common business assessment methods for use in knowledge management.

Ideally, this book adds rigor to the discussion of knowledge management assessments and creates an extended body of knowledge grounded in practice. The authors hope this book will increase the visibility of knowledge management to the business community by portraying knowledge management functions as important organizational capabilities. The text also refocuses the discussion within the field from a “knowledge management as project” approach – from sporadic and fragmented initiatives – to a sustainable organization-wide capability. In moving the discussion forward, the authors wish to acknowledge the early support and guidance from Kim Glover, a consummate knowledge management professional and practitioner.

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SECTION 1

ASSESSMENT FUNDAMENTALS

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1

ASSESSMENT FOR ORGANIZATIONS

CHAPTER SUMMARY

Chapter 1 presents a general definition of assessment and describes how it is commonly used in organizations. This chapter also considers why organizations assess. This chapter also explains how assessment has changed from the industrial economy to the knowledge economy. This chapter also describes the current state of assessment in knowledge management. This chapter explains that to discover the rich body of knowledge of assessment, we must expand our search to include examples that are embedded in other sources and examples that are defined by their tactics.

WHAT IS ASSESSMENT?

What do we mean by assessment? Assessment is a general term which can be applied to anything or any activity. Assessment is often associated with other terms such as analysis, examination, estimation, prediction, comparison, validation,

and compliance. In the common dictionary sense, assessment tends to focus on analysis, appraisal, or evaluation. Assessment is often defined by the nature of its domain and application – curriculum assessment, student assessment, program assessment, requirements assessment, productivity assessment, efficiency assessment, patient care assessments – the adjective defines the nature of the assessment. For example, in the field of education, assessment is defined as the process of gathering and discussing information from multiple and diverse sources in order to develop a deep understanding of what students know, understand, and can do with their knowledge as a result of their educational experiences. Assessment results are used to improve subsequent learning. The term “assessment” is used quite generically it is only given a true definition when it’s used in a context. Definitions of assessment tend to focus on evaluation or judgment when, in fact, these definitions pertain to how the results are used and what actions are taken.

We define assessment in a generic dictionary sense - the systematic collection, review, and use of information about an entity or activity undertaken for the purpose of improvement. What we learn from all of these definitions is that Assessment is a verb – a process. The definition depends on the activity or entity the process is applied to.

Every organization has an assessment strategy and an assessment culture, whether it is explicitly documented or part of the everyday behavior of the organization. Most organizations today will have some form of assessment methods and models in place. These might include performance assessment, personnel appraisals, budget reviews and budget analysis, customer assessments in the form of feedback, after-action reviews, or requirement analysis. There is much we can learn from current practices. And when we’re introducing a

new approach, we always want to align that approach with what exists.

WHY DO WE CARE ABOUT ASSESSMENT?

Why do people conduct an assessment? The goal of assessment is almost always to learn, understand, describe, and interpret. We want to learn how things changed. We want to know what works and what doesn't work. We want to understand why it works and why it doesn't work. We want to understand how to interpret the change in different context. In order to gain these insights, we need to focus on all aspects of the assessment process – the initial state, the change process, and the final or end state. We conduct an assessment because we want to understand the initial state of something – the status quo or the current state or its characterization before we implement a change. We also might assess because we want to understand what happens during the change process. We might assess the behavior of a new feature, the application of a material or the integration of a new chemical in the creation of a product. We can assess the end result, but we need to understand how the change affected the product. We might want to assess a new manufacturing method while we're testing it. We might assess a new software product during its development phase.

ASSESSMENT IN THE INDUSTRIAL ECONOMY

In the industrial economy, assessment has been focused on evaluation and decision making ([Fig. 1.1](#)). Assessment is the first step in a process that positions us for evaluation and leads to decision making. Assessment in most organizations

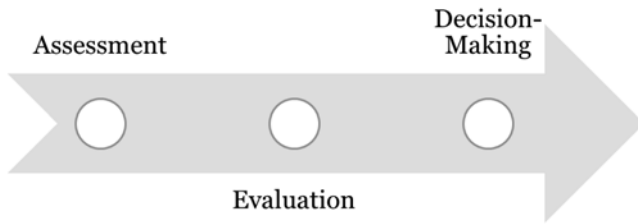


Fig.1. Traditional Characterization of the Assessment Process.

will tend to focus on outcomes or outputs, on judging or evaluating those results against expected levels of performance or production. The expected levels may be internally defined at the business unit level, they may be organizational level goals, or they may be industry standards. Assessment in the industrial economy is often limited to determining whether we have achieved expectations, a goal, or a benchmark.

Perhaps, the reason we see outcome- and output-focused assessment more frequently in the industrial economy is because we expect little change. We can more easily assess whether something is efficient or effective because we have established expectations for what the end state will be. For this reason, it's very important to focus on beginning state, the process aspect of assessment, and then to learn what the end state might be rather than to be able to assess whether we have achieved the desired end state.

In the industrial economy, we design processes to reduce variation, improve quality, reduce costs, or increase profit and revenue. The goal of assessment therefore is to standardize processes to increase predictability and control. We assess process when the end state does not align with our expectations, the desired or predicted state. We undertake an assessment when we are considering a change or have been affected by a change – we need to understand how

change might impact our expectations. This makes sense in the industrial economy.

In the traditional assessment model (Fig. 1), we note that assessment is not broken down into a process. Assessment is often associated with tactics – a specific set of procedures or methods that support evaluation and decision making in a context such as human resource management or project management. Additionally, assessment is focused on the final stage – analyzing and synthesizing information to use for evaluation.

ASSESSMENT IN THE KNOWLEDGE ECONOMY

In this text, we're interested in understanding what assessment means for knowledge organizations and the field of knowledge management. We've said that assessment will depend upon what we're assessing and why. What is the nature of the change in the knowledge economy? The knowledge economy is changing the nature of our work, how we work, where and when we work, and who works. The impact to organizations is significant. The changes mean that the landscape of assessment – methods, areas of application, and expectations – is expanding. At a minimum, we need to assess how we are leveraging our knowledge capacity in the everyday operations of the organization, how we are leveraging our knowledge capital assets, and how we are leveraging our knowledge capabilities and processes. Why we assess is also expanding. We assess in order to learn and understand. Because change is continuous and unpredictable in a knowledge economy, we may not always have an expected or desired state. We may use assessment to determine what that state might be. Because the nature of change is sometimes disruptive and unfamiliar, we may use assessment to better understand what works, what doesn't work, and why.

A significant difference between assessment in the industrial economy and assessment in the knowledge economy is that we assume predictability and static processes in the former and a world of continuous change in the latter (Fig. 2). Assessment is a more critical tool for managing and driving change in the knowledge economy than it has been in the industrial economy. Assessment may be a tool that is more frequently used in the knowledge economy simply because we need to understand the nature of change in every activity and at every level. Assessment in the knowledge economy begins with the traditional assessment model but breaks it down into initial state, process state, and end state. And it changes the nature of the assessment process from simple evaluation and judgment to include learning, innovation, creativity, ideation, and unlearning. This means that the process stage of assessment becomes much more interesting. Assessment begins to look more like a continuous improvement and spiral model than a simple linear step in a predictable process.

In a knowledge organization, assessment focuses on all three components of the model – initial state, process, and final state. Most of the literature on traditional assessment assumes a predictable end state. In fact, much of the literature suggests that if you cannot explain or describe the end

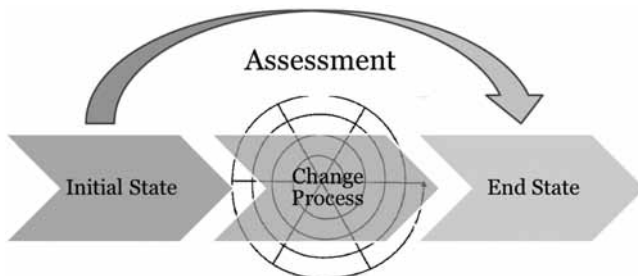


Fig. 2. Assessment Model for Knowledge Organizations.