Paradigm and Paradox: Knowledge Management and Business Ethics

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Abstract—Knowledge management (KM) is generally considered to be a positive process in an organisation, facilitating opportunities to achieve competitive advantage via better quality information handling, compilation of expert know-how and rapid response to fluctuations in the business environment. The KM paradigm as portrayed in the literature informs the processes that can increase intangible assets so that corporate knowledge is preserved. However, in some instances, knowledge management exists in a universe of dynamic tension among the conflicting needs to respect privacy and intellectual property (IP), to guard against data theft, to protect national security and to stay within the laws. While the Knowledge Management literature focuses on the bright side of the *paradigm*, there is also a different side in which knowledge is distorted, suppressed or misappropriated due to personal or organisational motives (the *paradox*). This paper describes the ethical paradoxes that occur within the taxonomy and deontology of knowledge management and suggests that recognising both the promises and pitfalls of KM requires wisdom.

Keywords—business ethics, data, knowledge, knowledge management, privacy, protection.

I. INTRODUCTION

KNOWLEDGE has become one of the most critical driving forces for business success and intelligent organisations recognise that knowledge is an asset that grows with time and gives the organisation the ability to continuously compete and innovate [7, 26]. It is often claimed that knowledge is the only resource that provides a sustainable competitive advantage, although only relevant knowledge can do this [5]. Modern organisations are hiring "minds, rather than hands" to leverage the value of knowledge [26]. Knowledge is the residue of thinking, it cannot easily be stored, is ineffectual if not used and is always undergoing modifications and changes" [23].

The area of Knowledge Management (KM) has emerged from two fundamental shifts, namely downsizing and technological advances [15]. Downsizing is a popular strategy to reduce overhead and increase profits. This often leads to the loss of valuable information and expertise as employees who are made redundant, take their experience and know-how with them. A need to capture, manage and share this knowledge

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was identified and Knowledge Management subsequently evolved as a strategy to store and retain employee knowledge. Technological development refers to the explosive growth of information resources such as the Internet and the development of ever more sophisticated Information and Communications Technologies (ICTs). This results in the continual flow of information that often leads to information overload. Knowledge Management is an attempt to cope with the explosion of information and capitalise on the increased knowledge in the workplace.

The literature on KM predominantly takes the positive view that KM enables organisations to capture essential knowledge and processes under the assumption that it will be collected and distributed accurately, appropriately and with good intentions, leading to efficiency, improved decision-making and protection of intellectual property. The so-called "utopian view" or "KM Nirvana" [1] often fails to incorporate ethical issues regarding the use of KM systems and their impact on individuals, the organisation and society. The focus is therefore on the 'bright side' of KM and the other side, in which knowledge is distorted, suppressed or misappropriated due to personal or organisational motive (the paradox), is rarely mentioned. Land [10] refers to such manipulation - and often distortion - of knowledge as *management of knowledge* (not KM). This paper aims to demonstrate the conflict between the knowledge management paradigm and the paradox of ethical issues such as freedom of information, privacy of data, the protection of intellectual property and the intellectual capital of organisations.

II. THE KNOWLEDGE MANAGEMENT PARADIGM

Knowledge Management is often defined in terms of helping organisations find, select, organise, disseminate and transfer important information, knowledge and expertise necessary for activities such as problem solving, dynamic learning, strategic planning and decision making. It is the process whereby the expertise and knowledge that are part of organisational memory - and that resides within an organisation in a structured or unstructured way - are captured, catalogued, preserved and disseminated [7]. Alter [1] refers to KM as the acquisition, refinement, maintenance and use of knowledge. The field of knowledge management seems to be part of the concept of intellectual capital, specifically the management of the intellectual capital controlled by the company [15]. The promises of the KM paradigm are:

Competitive advantage

The essence of the firm in the new economy is its ability to create, transfer, assemble, integrate, protect and exploit

knowledge assets. Such knowledge assets underpin competences and these competences underpin the firm's product and service offerings in the market as the successful application of knowledge helps organisations deliver creative products and services [7]. Organisations need to harness their knowledge to stay competitive and to become innovative [7] and for this they must have a good capacity to retain, develop, organize and utilize their employee competencies [15]. In the KM paradigm, the management of knowledge is promoted as an important and necessary factor for organisational survival, maintenance of competitive strength, higher productivity and flexibility [15].

Knowing what you know

The indicators for an organsiation's ability to create, disseminate and apply knowledge are the culture, actions and beliefs of managers about the value, purpose and role of knowledge; the creation, dissemination and use of knowledge within the firm; the kind of strategic and commercial benefits of KM; the maturity of knowledge systems in the firm; how a firm should organize for KM and the role of Information Technology in the KM program [7]. The KM paradigm refers to a company's collective expertise and therefore helps organisations to "know what they actually know" [15].

Managing different types of knowledge

Baskerville and others [3] define *organisational knowledge* as being embedded in organisational processes, procedures, routines and structures. It is the knowledge that 'holds a firm together'. According to Lang [11] organisational knowledge is social in character. On the other hand, knowledge can also be interpreted as *personal knowledge* that resides in the mind of an individual person as an innately human attribute of that person. In the Information Age personal knowledge is a source of income, as individuals are often hired or contracted on the basis of their particular expertise and skills [3].

Another way to describe knowledge is to distinguish between 'tacit' and 'explicit' knowledge, also called 'tacit' and 'articulated' knowledge. Tacit knowledge resides in the human mind, behaviour and perception and is non-verbalised, intuitive and unarticulated [3]. It evolves from people's interactions, requires skill and practice and is hard to coordinate or capture [15]. Explicit knowledge is documented and public, it is structured, has a fixed content, it is externalized and conscious [15] and expressed in some written or spoken form [3]. Along the same lines, Lang [11] distinguishes between 'know-what' and 'know-how'. Know-what is explicit knowledge that can circulate freely, while know-how is the ability to know when certain actions are appropriate and to act accordingly.

One of the promises of knowledge management is that it will appropriately extract ('capture') tacit knowledge so it can be efficiently and meaningfully transferred to explicit knowledge, shared and reapplied. Martensson [15] refers to this process as "capturing best practices" by utilizing four primary resources: repositories of explicit knowledge; refineries for accumulating, refining, managing, and distributing the knowledge; organisation roles to execute and manage the refining process; and information technologies to support the repositories and processes. Determining which knowledge an organisation should make explicit and which it should leave tacit is a balance that can affect competitive performance.

Knowledge sharing

The knowledge economy is an "economy of sharing" [23] and an organisation's ability to leverage knowledge is highly dependent on its people sharing knowledge. Sharing knowledge involves "uncapping our thinking processes for others in the present moment" and to do so organisations need to know who will use this information and for what purpose [11]. In the KM paradigm the value of knowledge can only be realised if it can be effectively transferred between individuals [7]. As such knowledge is a "remarkable substance" as most forms of knowledge grow rather than diminish with use. It is "not consumed but shared, given away and received" [23] and new knowledge is "created at the boundaries of old" [11]. Knowledge sharing at the individual level is a basic step toward creating organisational knowledge and a better process of sharing knowledge therefore benefits the firm [5, 15].

Sharing employee's expertise and skills provides opportunities for mutual learning and contributes to organisational capabilities to innovate. It is important to understand how individuals share knowledge within their groups and across organisational units or hierarchical levels [5]. Knowledge management promises to connect people, enable them to think together and to take time to articulate and share what expertise and knowledge they have at the moment, given that cutting edge knowledge is always changing. The goal is to connect questions to answers, or to people who can help find answers [11]. A knowledge management system must include a way to find people based on their skill and area of expertise; to identify where knowledge resides and which knowledge needs to be shared with whom, how and why [7].

Learning organisations

Knowledge management facilitates sharing of corporate and individual knowledge to improve organisational performance characteristics, leading to intelligent acting [7] and innovative [15] enterprises. Effective knowledge-sharing and learning as promised by the KM paradigm require cultural change, new management practices, senior management commitment and technological support. The enablers that facilitate willingness to share are trust, expertise and rewards – both extrinsic and intrinsic [5]. If organisational members believe in other members' expertise and skills and in the quality of the KM system, the intention to share individual knowledge increases, resulting in organisational learning. Martensson [15] refers to a study suggesting that part of the induction process of recruits should involve sharing their knowledge and experience with the organisation as well as passing on the experience of predecessors to these new employees.

Competitive Intelligence (CI)

There are nearly as many definitions of competitive intelligence (CI) as there are applications of it. The Society of Competitive Intelligence Professionals (SCIP) defines it as "a systematic and ethical program for gathering, analyzing and

managing internal and external information that can affect a company's plans, decisions and operations. Specifically, it is the legal collection and analysis of information regarding the capabilities, vulnerabilities and intentions of business competitors, by using information databases and other 'open sources' and through ethical inquiry [23].

Said and Bretones [21] have shown that the integration of Competitive Intelligence (externally oriented) and Knowledge Management (internally oriented) can increase the information absorptive capacities of an organisation. Firms can derive significant benefits from consciously, proactively, and aggressively managing their explicit and explicable knowledge, which many consider the most important factor of production in the knowledge economy. Doing this in a coherent manner requires aligning a firm's organisational and technical resources and capabilities with its knowledge strategy. Respecting the complexity of the external competitive environment while guarding the internal wealth of employees' knowledge should therefore enhance the firm's ability to quickly take in new information from the marketplace and synthesise it for its own benefit.

Knowledge Management as a Tool

Knowledge management is often described as a *management tool* – either an operational or strategically focused management tool. It is also an *information handling tool* which deals with the creation, management and exploitation of knowledge [15]. The KM process starts with the acquisition of information; then the information is entered into a storage system and organized logically; in the next stage the information is made accessible to as many employees as possible and finally utilisation begins with people sharing knowledge by talking and socialising and exchanging information in digital or analogue form. Knowledge management is also a *strategic management tool* and a way to improve performance, productivity and competitiveness, improved decision-making, capturing best practices, reduce research costs and improve innovation [15].

In summary, organisations that are managing knowledge effectively (i) understand their strategic knowledge requirements, (ii) devise a knowledge strategy appropriate to their business strategy, and (iii) implement an organisational and technical architecture appropriate to the firm's knowledge-processing needs. Organisational culture is a critically important aspect for facilitating sharing, learning and knowledge creation [7]. In the "Knowledge management Nirvana" knowledge exists, people are motivated, the culture supports KM and the appropriate processes and technology are used to achieve "happy outcomes" [1]. However, effectiveness and happy outcomes does not necessarily mean ethical and could, depending on the situation, in fact mean the opposite. The ethical paradoxes that exist in the realm of KM are the focus of the next section of this article.

III. ETHICAL PARADOXES

Ethics relates to codes of conduct regarded as right and good, based on morality or values, faith or some higher authority. Ethical principles are rarely absolute but are "relativistic and arise out of particular situations" [8]. As with many discussions of ethics or moral reasoning, clear determinations are complicated by conflicting rights. Determining right from wrong in a knowledge management process pertains to knowledge sharing, protecting intellectual capital of individuals and corporate intelligence of organisations, as well as social and cultural sensitivity. A teleological approach considers the ultimate consequences of human actions in order to resolve ethical dilemmas, while deontology denotes that some kinds of actions are in themselves wrong, despite the consequences of these actions. In other words, deontology refers to "doing the right thing" while teleology is concerned with achieving the desired outcome from the actions [6]. In the teleological approach, actions are right if they have good consequences ('the end justifies the means') and wrong if they have bad consequences [14]. Ethical paradoxes that exist in the KM paradigm are:

Capturing tacit knowledge

The conversion of tacit knowledge into explicit knowledge raises important ethical issues. Baskerville and others [3] ask the question whether organisations own the knowledge of their employees or whether personal knowledge falls under the personal privacy theory such that individuals have the right to protect the security of their personal knowledge. In other words, does organisational knowledge fall under the intellectual property theory and organisations therefore have the right to buy, sell and use their corporate knowledge as they wish; or is this knowledge an attribute of an individual which should be protected under human rights to privacy or security-of-person? Is the capturing of tacit knowledge the rightful exercise of organisational intellectual property rights, or is it an invasion of worker privacy?

In short, do organisations that forcibly develop knowledge-capturing cultures violate individual privacy rights, as the conversion of tacit to explicit knowledge creates intellectual property for the employer and the ownership is shifted from the individual to the collective? If organisations capture and transfer what the knowledge worker knows ('tacit knowledge') into data warehouses the knowledge worker becomes less valuable and can ultimately be dispensed. The importance of making tacit knowledge explicit could therefore have the hidden agenda of making the knowledge worker more vulnerable to downsizing.

Argandona [2] is of the opinion that the knowledge held by a person, including skills, abilities, attitudes and values belongs to individual people. However, as people usually receive the knowledge and skills in their job, there is a conflict between respect of individual dignity and autonomy on the one hand, and a responsibility to be fair and loyal to the organisation on the other.

Knowledge transfer and sharing

Apart from the conversion of tacit knowledge into explicit knowledge, KM also demands the direct transfer of tacit knowledge between individuals (i.e. knowledge sharing). Personal knowledge is liable to be less valuable when transferred to others which create ethical issues regarding the personal worth of the individual. Employers may unfairly

exploit the knowledge of employees without rewarding them accordingly for sharing their knowledge and making it available to others. On the other hand, efforts to deploy KM are often met with employee resistance and reluctance to share their expertise. Employees are competitive by nature and may be more inclined to hoard than share the knowledge they possess. An unwillingness to share knowledge that may hurt an organization's survival is seen as being seriously unethical [13]. Employees may face ethical dilemmas if they withhold or distort knowledge that should rightfully be shared with the employer [8] and their colleagues. The biggest challenge for KM is therefore not a technical one, but one of overcoming cultural barriers, especially the sentiment that holding information is more valuable than sharing it [15].

Cultural values also often prevent people from sharing and disseminating their know-how in an effort to hold onto their individual powerbase and viability [7]. In cases where employees are protected by law from the pressures of sharing their knowledge with the firm and colleagues, there exists a competing drive to promote the KM paradigm while paradoxically enforcing limitations on information collection and knowledge dissemination. It is not clear that personal knowledge can be ethically treated as a commodity to be bought, owned and sold; there are currently no human rights declarations with regard to personal knowledge (such as with property). Article 17 (Right to property) from the Charter of fundamental property rights of the European Union states:

"Everyone has the right to own, use and bequeath his or her lawful acquired possessions. No one may be deprived of his or her possessions, except in the public interest and in the cases and under the conditions provided by the law, subject to fair compensation being paid in good time by their loss. The use of property may be regulated by law in so far as is necessary for the general interest". In addition, Intellectual property shall be protected."

Competitive Intelligence (CI)

The inclusion of the words 'legal' and 'ethical' in the definition of CI show that CI has come some distance from its nefarious 'cloak-and-dagger past', although the theft of technology and information is still a frequent occurrence despite ever more strict regulations and security efforts [23]. Some of the benign tools of CI that form part of knowledge management, are as simple as regularly reviewing competitors' profiles and publicly available reports, conducting patent searches, monitoring news alerts and financial reports, tracking sales force reports, sending out mystery shoppers and noting how full the competitor's restaurant is. Because they are generally within the public domain, these types of intelligence are known as "open source." The next level of information is "grey literature" i.e. not in the public domain but available to insiders, those who subscribe to a particular publication or are part of a network. At a yet more sophisticated level, CI includes regularly debriefing supply chain members, scenario modelling, creating a knowledge capturing and management system, customer relationship management technology, data mining,

dynamic pricing, robotic shoppers for vendor selection, negotiation and agent communications [27].

On the other hand, KM systems provide the opportunity to manipulate and control this knowledge and information at the sourcing, collection, storage and distribution phases. An ethical paradox exists if knowledge is created and then omitted or withheld, suppressed, amplified or exaggerated, diminished or distorted. Suppression means that obstacles are created that makes it impossible to create, access and use knowledge that might contravene certain parties' interests. Distortion refers to the introduction of biases and presenting it in a way that favours a specific party's interest and viewpoint [1]. Alter [1] adds "misappropriation" to this list, which includes theft, modification and inappropriate revelation of knowledge. For example, the large volumes transacted in currency markets, often with the advantage of anonymity provided by electronic commerce, lend themselves to exploitation by the national intelligence agencies for enhancing their budgets for clandestine operations and for destabilising the economies of target countries.

The ethical issues are a balance between the rights of organisations to limit access to knowledge against the rights of society to share in that knowledge for the benefit of society as a whole.

Data mining

A data mining system can be used to gather and correlate data about the activities of citizens and employees [10]. Under 'personal privacy theory', individuals are entitled to protect the security of their personal knowledge, and knowledge sharing institutions must be governed by the voluntarism of the individuals [3]. The ethical issues around data mining and the issues of data misuse and privacy breaches are not often discussed, as IS departments and employees take pride in the power of the system.

IV. EXTERNAL FACTORS INFLUENCING KM ETHICS

Certain external factors have an influence on ethical viewpoints and the way KM is applied in organisations:

Country culture

Knowledge draws on data and information and is socially and culturally embedded [23]. It is to be expected that different cultures will have different attitudes regarding issues of ethical business conduct and the cultures themselves may change relatively rapidly. What may be commonplace in one country may be considered unethical (or even illegal) in another country. Hofstede's cultural framework of power distance, uncertainty avoidance, individualism and masculinity has been widely accepted in the social sciences. Blodgett and others [4] applied the Hofstede typology to determine the effect of culture on the ethical sensitivity towards various stakeholders. They found that uncertainty avoidance had a positive effect on ethical sensitivity and power distance and individualism/masculinity had negative effects of ethical sensitivity. The ethical sensitivity to stakeholder interests also differs, e.g. Americans are more likely than Taiwanese to place their own personal interests above their employer's interests and will be more likely to

push a competitor out to gain a sale. For instance, resolving the conflict between organisational rights and individual rights to personal knowledge is a moral judgment that is likely to be influenced by cultural values.

Ethical decision making is affected by culture through an individual's deontological and teleological evaluations. Although individuals may regard a particular activity as ethical, they may follow a different course of action because of the desirable outcome. Because people make different assumptions about personal knowledge, it can therefore not be assumed that workers in all cultural value systems will view their own decision not to share their personal knowledge, or a decision to act out of self-interest in the face of internal competition, as unethical or immoral. In certain cultures workers may view knowledge management as an attempt to deprive them of valuable personal attributes and violate their human rights. In these cases, management of organisational knowledge vis-à-vis personal knowledge may respond to distinctly different ethical frameworks and require distinctly different management practices. [3]

Larger companies in France, for instance, tend to have a rigid hierarchy and information flows tend to be top-down or horizontal. Several studies characterise the French as secretive by nature and unwilling to share information within the firm, either out of an instinct towards protection or a belief that power redounds to the information-holder and not the information-sharer [12]. An exploration by Martinet & Marti [16] of companies and practices confirms the pervasive culture in France of clinging to important information until it can be exchanged for some personal advantage. Compounding the problem of knowledge management in the French organisation is the conflict between competing drives to promote the paradigm while paradoxically enforcing limitations on information collection and dissemination under the French Commission Nationale de l'Informatique et des Libertés, CNIL.

Post-September 11, 2001 changes in the United States vis-à-vis national security and demands for ever more information about companies and private citizens have created softer boundaries between privacy protection and unethical use of data. At the same time, highly publicised corporate scandals have resulted in much tighter regulation and oversight for employees who have access to proprietary information or who develop intellectual property for the employer.

Organisational culture

The organisational culture defines the core beliefs, values, norms and social customs that guide the behaviour in an organisation. If organisations want to succeed in its KM practices it should consider both social and technical enablers for knowledge sharing.

A culture supportive of KM values knowledge and encourages its creation, sharing and application. Important aspects of such a culture are collaboration, where individuals come together to interact, exchange ideas and share knowledge; trust, without which people will be sceptical about the intentions and behaviours of others and withhold knowledge as a result; innovation, where individuals are encouraged to generate new ideas, knowledge and solutions;

and tolerance of mistakes and openness about failures, without the fear of punishment.

Individual behaviour

Worker related information is a valuable organisational resource and it is important to consider how this information resource is controlled. The information boundary theory attempts to understand personal privacy at work and highlights when and why individuals withhold or release valuable information [22]. The organisational behaviour of individuals in the organisation will have a direct impact on the knowledge sharing and transfer amongst colleagues and management. Trust is a key factor in an individual's decision to share personal knowledge with others [5].

Leadership

Closely related to the concept of company culture are the leadership style and the level of trust the leaders instil in employees and the support offered to employees. Leaders are important role models - through deeds, not just words - for the desired behaviour for KM. They should themselves exhibit a willingness to share their knowledge with others in the organisation.

Available technology

Information Technology such as databases, hardware and software applications have created the expectation of a new world of leveraged knowledge. Email and Internet have made it possible to share knowledge no matter where the expert is located. However, it should be borne in mind that knowledge is not information and therefore it cannot be delivered by Information Technology (IT). IT is not a "magic bullet" in the process of KM [11]. In his article *Why Information technology inspired but cannot deliver Knowledge Management* McDermott [18] states that, while the knowledge revolution is inspired by new information systems, it takes human systems to realise it.

V. FROM KNOWLEDGE TO WISDOM

Rooney [19] is of the opinion that the accumulation of intelligence, knowledge, expertise and technology has not improved the world when compared to what it was fifty to a hundred years ago. He refers to the knowledge-based economies as a response to the "risk society". The knowledge management practice is based on a need to measure knowledge, exploit intellectual capital and use computer-based knowledge management systems, "thereby divesting certain forms of social practice of their social, ethical, political and moral values". The more knowledge we call on to deal with risk, the more risk we create, and then call for more knowledge and so on. KM may have focused too strongly on maximising knowledge and knowledge access and sharing, with insufficient focus on what knowledge to select, apply and institutionalise in organisations. [19]

Although maintaining, processing and building declarative knowledge is important, Rooney [19] emphasises that "doing so in absence of wisdom can be ineffective, even dangerous". According to Rowley [20] wisdom requires knowledge - and

the sensitive use of knowledge - but not necessarily a great accumulation of it. Wisdom is critically dependent on ethics, judgement, insight, intuition and creativity. It is a process by which we "discern, or judge, between right and wrong, good and bad" [20] and therefore wisdom is the result of "integrating knowledge with moral concerns" [20]. Wisdom is less concerned with what we know than with how we act [19].

Wisdom allows people to place things in perspective and reject that which depreciates humanity and imperils optimal organisational outcomes; it is "the best guide for the supreme good" [20]. It allows people to see things within the large context and also to see and consider all points of view – "adopting multiple perspectives of multiple stakeholders" [20]. Organisations need to help people become wiser and create the organisational conditions for wise practice.

Wisdom must therefore be founded on ethics as its aim is to balance the good of the individual and society. Business also needs to be wiser, not only for commercial or intellectual reasons, but also for ethical reasons as it is a mediator between the economic sphere and the social, environmental and technological spheres. Wise organisations will develop effective, persuasive and ethical communication to promote and generate collective wisdom, diffuse tacit and explicit knowledge through sense-making dialogue and increase creativity. Literature [3, 19, 10, 8] highlights the need for ethics and the need for leaders to strongly commit themselves to appropriate ethical standards. In short, wisdom = knowledge + ethics + action [20].

VI. CONCLUSIONS

There are two forces in organisations that are in conflict, pulling in opposite directions. There is conflict between the knowledge management paradigm and the paradox of ethical issues such as freedom of information, privacy of data and protection of intellectual property. On the one hand the KM paradigm claims to increase, create, store, share and apply knowledge towards improving organisations and their competitiveness. Much of the literature on KM state that the systems and practices are "naturally benign" and designed, implemented and used with the ultimate goal to improve the condition of mankind [10]. This utopian viewpoint centres on organisational benefits and treats knowledge management as the key to prosperity in the global information economy.

On the other hand we have to consider the ethical approach of doing what is the right conduct (deontological approach) and doing what has the right outcome/result (teleological approach). The ethical approach aims to decrease the sharing of certain information, protect privacy, protect employee power/intellectual capital and avoid applying knowledge to the detriment of any stakeholders. Many KM practices have more "malign objectives" and are often self-serving [9]. This includes individual harm, uncertainty, anxiety, and distrust as the commoditisation of knowledge work threatens a wide range of workers with 'de-skilling' [5].

It is clear that knowledge management practices differ with regard to organisational and personal knowledge. Two potential ethical issues are the overwhelming databanks of information that never become personal knowledge and also the risk of the data collection being leaked to competitors or outright criminals [18]. A knowledge paradox exists as organisations may purposely limit knowledge transfer to prevent industrial espionage (organisational knowledge culture). Employees may also hinder knowledge transfer if they think it diminishes their professional value (related to the concept of personal knowledge). According to the personal privacy theory, personal knowledge is protected by privacy rights, and is owned by the individual. However, personal knowledge can be bought and sold through the hiring and dismissal of employees.

Transfer of personal knowledge could only be accomplished with the permission of the individual who currently possesses the personal knowledge. Organisations face a quite different knowledge paradox under the privacy theory. The paradox lies in the right of an individual to retain their personal knowledge in order to assure job security, since the transfer of personal knowledge to another individual could lead to the redundancy of the sender. The rights to privacy would protect the individual from being required to provide services to their employer that ultimately eliminates the individual's employment. The individual could provide such service to the employer provided that he/she gives permission. This agreement is consistent with the terms of Article 8 of the Charter of Fundamental Rights of the European Union. [3]

Trethewey and Corman [25] argue that two ethical continua can be used to assess knowledge management practices, namely inclusive-exclusive and transparent-opaque. The inclusive-exclusive dimension concerns whether a KM system is designed for public or collective good. The transparent-opaque dimension focus on whether employees know that knowledge is being collected about them, when and how such monitoring is taking place, how the data is used and the consequences of such monitoring.

The external factors influencing the practices of knowledge management have been found to be company culture, knowledge driven or product/service driven company/industry, country culture, individual behaviour (e.g. propensity to share), competitive forces (importance of competitive intelligence), laws/ legal requirements, ethical approach in the country and ethical approach in the company. KM has to concern itself with the ethical issues that go hand in glove with human behaviour.

Wisdom guides knowledgeable actions on the basis of moral and ethical values. I.e. wisdom is knowledge with an ethical outlook. Wisdom gives organisations a long-term perspective and the ability to determine the most appropriate behaviour, taking into account what is known and also the legitimate concerns of various stakeholders. Wisdom might be the answer to address the ethical knowledge management paradox.

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