Appraisal readers should be clear at the outset that I, a theorist like Nonaka and Takeuchi, cannot do more here than touch a few points that I find interesting and worth some further consideration.

1. Knowledge management and Polanyi’s social vision

The broader domain of Manucci’s inquiry is concerned with whether the insights of epistemology might be relevant to effectively managing an organisation. She acknowledges in her notes that ‘organisations’ are of many types. ‘Knowledge management’ Manucci rather straightforwardly suggests is a practical endeavour concerned with insights and theories ‘for the correct running of economic and productive organisations’. The central interest of her essay seems to be how Michael Polanyi’s epistemologically-grounded ideas might stimulate those in business organisations to be creative and generate new ideas that might support the ends for which business organisations exists. Those ends are concerned with making profits and preserving and enhancing the organisation. The issues Manucci has chosen for study are interesting ones; nevertheless, let me begin my comments by emphasising a general point that I hope practical knowledge managers might be helpful for those managing business organisations in a globally competitive economy, but Polanyi’s post-critical vision weaves together epistemology and a lebensphilosophie and elements of a cosmology. It is this broader vision of human beings at home in the interesting social-historical and natural world that must not be overlooked by those practically concerned with understanding and stimulating economic organisations. Ideas were important in society according to Polanyi and something of Polanyi’s comprehensive vision remains important to provide a depth of meaning and balance in individual and organisational life and this may especially be true for those engaged in contemporary business enterprises in the competitive global economy.

2. New images of the organisation and organisational life

Manucci’s discussion emphasizes that managers in business organisations who understand Polanyi’s ideas about what a human agent is and particularly the relation between tacit and explicit knowledge are in a position to rethink what an organisation is and the many aspects of life within an organisation. Knowledge is valuable in an organisation but not all knowledge is explicit. Organisations and their leaders must learn to acknowledges and cultivate what Manucci terms the ‘patrimony of ineffable knowledge.’ An effective leader of an organisation must develop a style of management that attends to many subtle dynamics (i.e., the tacit substructure) of the living social organism and a good leader will create a vision (setting forth values, beliefs and concepts)
that permeates the organisation and promotes cooperation. All of these elements suggested in Manucci’s discussion seem to me insightful applications of Polanyi’s thought.

Organisations are not merely well oiled machines and human participants are not merely cogs in a machine. Perhaps organisational managers who adopt the humanistic style Manucci promotes need some new metaphors with which to imagine the organisation and personal life in an organisation. Persons in organisation are organisational role players. A Polanyian metaphor for organisations and organisational life (and an alternative to both the machine metaphor and even the living organism with many cells) is that of the unfolding but indeterminate drama that describes a society of explorers at any given time. In a society of explorers the stage is always set and the characters are always aligned. Characters are unique but must become attuned to the traditions and values of their organisation. They are charged to act now in a fashion that is both loyal to their tradition and accepts a calling that respects the challenge of the unknown. Organisational actors indwell order to break out. Organisations and persons who are organisational agents need a certain enthusiasm for inquiry, for exploring the unknown. But many (perhaps most) organisations tend to act routinely and bureaucratically. They reward conformity and make an idol of the status quo. They regard change as a threat rather than an opportunity. Manucci and figures like Drucker, Nonaka, and Tackeuchi want to emphasize innovation and the way in which the discovery of new knowledge can be cultivated by attending to elements of organisational culture. What I am suggesting – and I already see hints of in Manucci’s discussions – is that in addition to attending to the subtle dynamics of managing an organisation perhaps a richer set of images of organisational actors, organisational life and organisations themselves are available in Polanyi’s philosophical corpus. These potentially useful images could be fleshed out and promulgated by knowledge managers interested in exploring the implications of Polanyi’s work.

1. Public liberty in business organisations

Particularly interesting is this essay is Manucci’s exploration of some early Polanyi themes as the key to a knowledge manager’s concern with ‘the correct running of economic and productive organisations.’ She suggests that public liberty and mutual coordination are the ‘main principles of an organisation aiming at innovation’ and that these two principles ‘unite the dynamics of change’. While I think Manucci is correct in identifying that Polanyi stressed these principles as the key to the operation of a modern liberal society, the ‘fit’ of these principles to business organisations is not perfect in either Polanyi’s discussions or Manucci’s discussion.

Polanyi distinguished in society the types of ‘dynamic order,’ which he, following and adapting Kohler’s term, understood as ‘an ordered arrangement resulting by spontaneous mutual adjustment of the elements’ (435). What Polanyi wished to do was show both similarities and differences between types of dynamic order. The ‘dynamic order of production’ is an important type of dynamic order and it involves adjustment through ‘internal forces’ through which individual producers interact which Polanyi also described as ‘a series of lateral adjustments between individual producers making independent decisions’ (436). The ‘series of continuously repeated mutual interactions’ Polanyi says, ‘tends to produce a distribution of resources in which each element of resource is used by producers to the greatest satisfaction of the consumers, as expressed by their demand curves’ (436). This description seems to be what today might be called simply the operation of market forces bearing on every productive business organisations.

From the system of production and consumption, Polanyi distinguished types of dynamic order operating in ‘the mental sphere’ and his primary examples were the organisation and operation of science and the law (437). He spoke of the variety of ‘systems in the intellectual and moral sphere’ as having different mixes of what he calls ‘cognitive’ and ‘normative’ elements (437-438). Polanyi regarded the mental types of dynamic order as being of a ‘more of less consultative or competitive character’ in terms of their relative appropriation of the ‘public mental heritage accessible to all’ (438).

At least in his 1940 discussion, it is easy enough to see that Polanyi was reaching for a scheme to acknowledge both similarities and differences among the types of dynamic order and, as I have implied above, it is clear that Polanyi thinks of the liberal society as a pluralistic one in which there operate a number of different types of dynamic order. His discussion, in my view illuminates similarities between the types of dynamic order better than the differences... All types of dynamic order rely on mutual adjustment but it is the types of dynamic order in ‘the mental sphere’ that are much more reliant on what Polanyi calls ‘public liberty’ as the key to adjustment than is the ‘dynamic order of production.’

I doubt that Polanyi thought that there was more than a weak analogue of public liberty in the ‘dynamic order of production,’ which Polanyi describes as an arena in which ‘producers are constantly on the look-out for an opening to utilise at a greater profit the resources which they now control, and to gain the control of resources, at present managed by other producers, by finding more profitable
He is careful to point out that 'the co-ordinating function of the market are but a special case of co-ordination by mutual adjustment' (52). At the end of the essay, Polanyi is clear that the type of dynamic order found in science embodies a 'higher principle' than that found in the market:

It appears, at first sight, that I have assimilated the pursuit of science to the market. But the emphasis should be in the opposite direction. The self-coordination of independent scientists embodies a higher principle, a principle which is reduced to the mechanism of the market when applied to the production and distribution of material goods. (69)

The 'higher principle' Polanyi notes in the mutual adjustment of the mental sphere of science is 'higher' because adjustment in science is bound up with science's commitment to public liberty in a way this is not present in the operation of the market.

Notes:
1. See also Charles S. McCoy, Management of Values: The Ethical Difference in Corporate Policy and Performance (Boston: Pitman, 1985) as an additional source informed by Polanyi's ideas.
3. It should be noted that Polanyi also discusses the 'dynamic system of distribution' (440) which he regards as the other half of the market system.

The next two quotations are from this essay and are noted in parenthesis using page numbers in KB

2 Jere Moorman

I read Monia Mannuci's paper with the following personal agenda in mind: How can her paper throw light on the following two issues - What are some of the mistaken assumptions, from a Polanyian standpoint, that business people make? How do these mistaken assumption inhibit business success? Dr Mannuci makes the succinct point that 'tacit knowledge is the richest part of a man's wealth of knowledge' - capping nicely Polanyi's critique of Objectivism in a way that the business person can understand in terms of the bottom line. She recognises the difficult in codifying tacit knowledge and poses the need to make the 'move from the tacit to the explicit and from the individual to the social interiorisation' - difficult and challenging though this may prove to be. She helps the business person become more of a connoisseur of different types of knowledge. She recognises the importance of the