

## Creating new knowledge the Japanese way

How to create a more fertile environment for new knowledge creation, based on Japanese concepts of leadership.



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The deadly tsunami that struck Japan on March 11, 2011, proved that a little knowledge, far from being a dangerous thing, can be a real lifesaver. Although thousands of people died in the disaster, in one school district, only five of the 2,900 primary and middle school students perished — and only because those five had gone home early that day.

For years beforehand, local experts had been running emergency drills with students in 14 Kamaishi area schools, practicing what to do in the event of a disaster. The lessons were integrated in various subjects, such as calculating tsunami velocity in math class, or the ethics of running for the hills to save yourself rather than heading home in search of your family, which history had shown resulted in more casualties.

When the real catastrophe hit, the well-rehearsed children sprang into action. As one 12-year-old recalled, “I was worried about my house and family, but I ran up to a higher place without thinking.”

They also worked in close cooperation, similarly without having to think too much about what they were doing. When the P.A. system malfunctioned, the older children instinctively grabbed the hands of their younger classmates and led them to safety.

Even the instructor was surprised by the children’s preparedness. “I’ve repeatedly told children in class that we might experience a tsunami larger than ever expected.” Commenting on their escape to hilltops more than two kilometers away from harm, he said, “I’m proud of the children for making (lifesaving) decisions on their own.”

This example illustrates what I call the conversion of the ordinary into the extraordinary. It contains important truths about human knowledge: that it is as much about bodily experience and prior experimentation as it is about logical and analytical thinking. The actual practice of dealing with each situation we face serves to embed the knowledge deep within us, so that our response to new situations, or even crises, can be one of resolute action, not panic or fear.

In 1995, Hirotaka Takeuchi and I coauthored a seminal book on the knowledge-creation process, based on methods pioneered in the '80s and '90s by Japanese companies ([The knowledge-creating company: how Japanese companies create the dynamics of innovation](#)). My contention, then as now, is that strategic management has tended to overemphasize logical and analytical thinking, focusing almost exclusively on the acquisition, accumulation and utilization of *existing* knowledge, particularly at the top of the organization, while paying

little or no attention to the process of *new* knowledge creation.

Recent years have seen renewed interest in organizational knowledge creation theories. Given the sweeping changes happening across the business world with regard to more collaborative forms of learning and open innovation, companies are increasingly looking for better ways to foster new knowledge, seeing it as a key source of value creation and competitive advantage. As Toshifumi Suzuki, head of Seven-Eleven Japan, has said, today's world of diverse and rapidly changing customer needs requires other modes of thinking and other ways of doing business.

This article draws upon years of research I have conducted into Japanese firms. It follows on from a seminar on organizational knowledge creation that I delivered at IESE Business School on November 17, 2011. It also follows the launch of the [Nonaka Institute of Knowledge](#), which aims to pursue basic research on knowledge and innovation.

Here I will outline a series of steps that companies and their leaders can take to create a more fertile environment for new knowledge creation.

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