An Examination of The Applicability of Nonaka’s Theory in The Empirical Context of UK Urban Regeneration: A Case Study of The Creative Town Initiative in Huddersfield (3) — Looking at the Background in the early 1980s to Creative Town Initiative in Huddersfield —

ADACHI Yoshimichi

Abstract
A series of papers aims to examine the applicability of Nonaka’s theory of organizational knowledge creation to the empirical context of urban regeneration in the UK and the Creative Town Initiative (CTI) in Huddersfield in particular. Before examining the application / relevance of Nonaka’s theoretical frameworks to urban regeneration through the process of making the CTI proposal (in 1991-96), which will be discussed at the next papers, this paper looked at the background to CTI. The activities in the early 1980s which led to CTI have been considered. The background in the early 1980s to CTI in Huddersfield illustrated the relevance of the integrated framework of (the TEAM linguistic framework and) Nonaka’s five-phase model in the restricted way.

Key words: Case Study, Knowledge, Huddersfield, Cultural Industries, Creative Town Initiative (CTI)

1. Introduction
A series of papers aims to examine the applicability of Nonaka’s theory of organizational knowledge creation to the empirical context of urban regeneration in the UK and the Creative Town Initiative (CTI) in Huddersfield in particular. In so doing, methodology was argued in Yamanashi Global Studies No.10 (Adachi, 2015), and Huddersfield and CTI in particular were placed in the several contexts including demographic, historical and local political in Global Studies No.11(Adachi, 2016). This paper looks at the background activities of CTI in the early 1980s to CTI. The next papers will focus on the background activities of CTI in the late 1980s and the process of making the CTI proposal in 1991-96.

Three main areas are to be considered in this paper. Firstly, the theoretical framework to apply to Nonaka’s theory will be introduced in section 2, providing the case study’s theoretical propositions. Secondly, activities around the cultural sector in Huddersfield in the early 1980s will be illustrated based on

<table>
<thead>
<tr>
<th>Name of the knowledge spirals</th>
<th>Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>The first knowledge spiral of cultural industries</td>
<td>Early 1980s</td>
</tr>
<tr>
<td>The second knowledge spiral of cultural industries</td>
<td>Late 1980s</td>
</tr>
<tr>
<td><strong>The first knowledge spiral of CTI</strong> (The CTI proposal making)</td>
<td>From 1991 to 1997</td>
</tr>
<tr>
<td>The second knowledge spiral of CTI</td>
<td>From 1997 to 2000</td>
</tr>
</tbody>
</table>

山梨県立大学 国際政策学部 総合政策学科
Department of Policy Management, Faculty of Glocal Policy Management and Communications, Yamanashi Prefectural University
Nonaka’s theoretical framework in section 3. Finally, conclusions will be drawn on the basis of evaluating the applicability of Nonaka’s theory to urban regeneration in the UK in section 4.

2. Theoretical framework to apply to Nonaka’s theory

The main aim of Nonaka’s theory of organizational knowledge creation is to provide an understanding of how an organization creates new ideas which may make the organization competitive and sustainable, regarding organizational activities as knowledge activities. In other words, Nonaka sheds light on the mechanisms and processes through which ‘new’ knowledge is created in an organization with both solid theoretical foundations and practical models.

In order to examine the applicability of Nonaka’s theory of organizational knowledge creation to the empirical context of urban regeneration in the UK and CTI in Huddersfield in particular, as argued in the previous paper, the integrated framework of the TEAM linguistic structure and Nonaka’s five-phase model of organizational knowledge creation provided the case study’s theoretical propositions, which incorporates the four modes of knowledge conversion, including the socialization, externalization, combination and internalization modes, which are the main concepts of Nonaka’s theory. (see Figure 1). This paper follows the theoretical propositions to examine the applicability of Nonaka’s theory of organizational knowledge creation to the empirical context of urban regeneration in the UK and CTI in Huddersfield.

The five conditions including organizational intention, autonomy, fluctuation / creative chaos, information redundancy and requisite variety, which Nonaka assumes facilitate organizational knowledge creation, were also regarded as the theoretical prepositions to be followed during data collection for the case study.

3. The first knowledge spiral of cultural industries: Illustrating Nonaka’s theoretical framework in activities around the cultural sector in the early 1980s

3.1 Five conditions for knowledge creation in the first knowledge spiral of cultural industries

Nonaka assumes that fluctuation and (creative) chaos

![Figure1: Integrated framework of the TEAM linguistic structure and Nonaka’s five-phase model (Source: Author)](image-url)
generated when a firm faces a real crisis facilitates organizational knowledge creation (see Nonaka & Takeuchi, 1995). Similarly, Peter Hall, a town planner speaking at the Creative City Conference (Report on the Creative City Conference, 2000) in Huddersfield, stated that ‘historically, drastic problems such as cholera, need for fresh water and need for travel systems etc. led to urban creativity’. Phil Wood, the then manager of CTI, also stated at the same conference that ‘historically, the triggers to creativity have been crises, leading to municipal, civil and technological creativity’. The crisis in Huddersfield in the early 1980s took the form of the loss of employment, in manufacturing in particular (see Table 2).

Table 2 clearly shows the considerable decline in employment in manufacturing in Huddersfield. In an interview with the author, Phil Wood recalled:

<table>
<thead>
<tr>
<th>Year</th>
<th>Primary Production</th>
<th>Manufacture</th>
<th>Construction</th>
<th>Service Industries</th>
<th>Unclassified by Industry</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1975</td>
<td>1,295</td>
<td>45,423</td>
<td>2,999</td>
<td>37,516</td>
<td>2</td>
<td>87,235</td>
</tr>
<tr>
<td>1976</td>
<td>1,315</td>
<td>42,909</td>
<td>3,550</td>
<td>39,028</td>
<td>3</td>
<td>86,805</td>
</tr>
<tr>
<td>1977</td>
<td>1,268</td>
<td>43,427</td>
<td>3,668</td>
<td>39,144</td>
<td>3</td>
<td>87,510</td>
</tr>
<tr>
<td>1978</td>
<td>1,255</td>
<td>42,065</td>
<td>3,264</td>
<td>39,143</td>
<td>5</td>
<td>85,732</td>
</tr>
<tr>
<td>1981</td>
<td>1,389</td>
<td>30,057</td>
<td>2,884</td>
<td>37,463</td>
<td>369</td>
<td>72,162</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change (1975-1981)</th>
<th>Nom.</th>
<th>%</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>94</td>
<td>7.3</td>
</tr>
</tbody>
</table>

In addition to this, at the time there was a racial crisis in Huddersfield. In his meeting with the author, Sean Leonard, the then Economic Development Officer in KMC, commented:

In 1981, a “multicultural mob” of black and white youths occurred, storming through the centre of Huddersfield town centre and the urban riot drew attention back to social conditions.4) This kind of racial issue extended into the schools. Wood explained this as follows:

There were problems in schools in Kirklees because white people [parents] did not want their children to be educated with Asian children and the Council handled this very badly. It became a national scandal.5)

The above serious crises (problems), mainly concerned with unemployment around the manufacturing sector and racial issues, naturally created fluctuating and chaotic environments in the Kirklees Metropolitan Council (KMC) (one of Nonaka’s enabling conditions for knowledge creation) (see section 2 and also Nonaka & Takeuchi, 1995). In 1982, KMC created a new post of ‘Community Worker for the Unemployed’ in the Libraries and Arts Department (then Cultural Services Department), with a remit to try to understand these fluctuating and chaotic environments.6) In other words, the environment provided KMC with an opportunity to

Around 1982, unemployment was regarded as a very serious ‘crisis’ in Huddersfield and the whole UK. The feeling of almost panic [existed] in the local authority [Kirklees Metropolitan Council] because they could not understand what was happening. Thousands and thousands of people would be made unemployed in the town. People were worried about its consequences, [particularly] social consequences of this happening.3)
reconsider its basis and mindsets for addressing urban problems in Huddersfield and facilitated ‘subjective commitment’ (Nonaka & Takeuchi, 1995) to local communities through the creation of the new post. The creation of the new post can be considered as a starting point of knowledge-creating processes leading to CTI in Huddersfield. This paper considers it to be the start of the first ‘knowledge spiral’, referred to here as the first knowledge spiral of cultural industries.

3.2 Phase 1: Accumulating and sharing tacit knowledge: The socialization mode

In 1982 Phil Wood, who had become the central figure in making the CTI proposal, was employed in the new post of ‘Community Worker for the Unemployed’. In an interview with the author, he recalled that:

*I was employed by the Council to meet with unemployed people, to try to understand how they were coping with unemployment. …I was not given a plan. I [instead] made a job from nothing. Simply going and finding people and talking to them, asking what they wanted to do with all their spare time that they have.*

This account illustrates Phase 1 of sharing tacit knowledge of Nonaka’s five-phase model of organizational knowledge creation (or the socialization mode of knowledge conversion in his SECI model) in the first knowledge spiral of cultural industries (see Figure 1). It is because Wood, who was given (individual) autonomy at that time, directly interacted with local (unemployed) people and tried to understand and share their feelings and perspectives (and in so doing acquire tacit knowledge), which was context-specific and different from previous situations. In other words, the traditional scientific methods, which Systems Theories and Rational Theories of Planning usually use, such as following particular work procedures, analysing (or manipulating) information (explicit knowledge) and producing policies based on explicit information, were not considered the way to understand and solve the situations of the unemployed.

Strictly speaking, Wood himself *individually accumulated*, rather than *collectively (institutionally) shared* (which Nonaka emphases in his theory), local tacit knowledge of the local situations on the unemployed. Such local tacit knowledge was only acquired at Wood’s discretion, while the unemployed were the only source of (tacit) knowledge of the real situations they faced (and the feelings they held). Moreover, it can be argued that although Nonaka tends to assume that the technical dimension of tacit knowledge lies ontologically at the individual level, while the cognitive dimension is at the collective level (see Nonaka & Takeuchi, 1995), this classification cannot be applied to the case because Wood again ‘individually’ accumulated the tacit feelings of the unemployed people he met, which obviously corresponds to the ‘cognitive’ rather than technical dimension of tacit knowledge.

Through his individual ‘learning by walking around’, Wood identified another group of people. Explaining this during an interview with the author, he commented:

*I realized that quite a few people were doing very interesting things. They were starting recording music, making films, writing plays, making theatre and making music. …[I thought] Maybe they are going to create their own jobs by doing this. At the time it was possible for ordinary people to have access to computer technology, cheap video cameras and sound recording equipment.*

One of people who interested Wood was Brian Cross, the director of Artimedia, a media-focused private company. He explained his own work at that time as follows:
At that time, I worked, for example, with the Caribbean community coming to this area in the 1950s. I organised carnivals and made music with them. We also completed major projects using computers. We believed cultures were economic resources. We also provided training, consultancy and information for them.

At that time there were people in Huddersfield who were artists, video makers, fledgling businesses and training providers and the Libraries and Arts Department in KMC, and Phil Wood in particular, paid attention to these people. Following the above description, this paper defines ‘cultural people’ as people who use culture (including music, films, plays, drama and new technologies) as tools of local economic and social development. Wood also added:

That [job-creation using cultures and technologies] was regarded as crazy 20 years ago because Huddersfield is an industrial town. People make things in factories [here]. ... I was attracted by this group of people. I thought that I’d like to particularly work with them and that this would become a new form of economic activity.\(^{10}\)

Wood’s account was also supported by Toby Hyam, the director of the Media Centre. In an interview with the author, he commented:

The initial approach of the Council to culture [as a tool of economic development] was vague. Given that there were so few models in the UK at that time, it is not hard to understand why this was. The legal constitution and the early Kirklees Council report illustrate that video producers, writers, publishers, artists and arts organizations were the key target market of the Council.\(^{11}\)

Wood’s above account illustrates that Phase 1 of accumulating (sharing) tacit knowledge exists, but at a deeper level. Although at that time these kinds of cultural activities were considered ‘eccentric’ or ‘strange’ in an industrial town such as Huddersfield, through face-to-face communications, Wood had increased his ‘attraction’ to such ‘cultural people’ with the sense of commitment and gained a belief (tacit knowledge) that cultural activities associated with new technologies and arts could produce new jobs in Huddersfield.

3.3 Phase 2: Creating concepts: The externalisation mode

Although Wood thought that he would like to help the ‘cultural people’, he at first did not know how to do so and thus examined activities in other cities where cultural people were supported. Elaborating on this, Wood explained:

I started to realize that other people in the towns and cities were also thinking the same way. They called that kind of activity ‘cultural industries’. It seemed such radical thinking. It was an inspiring idea. Much of the most advanced work [on this aspect] was taking place in London under the Greater London Council.\(^{12}\)

Using Nonaka’s terms, by looking at and visiting the places where cultural activities associated with technology were conducted, Wood expanded (tacit) knowledge on cultural activities. He then found the concept of ‘cultural industries’ in London, which adequately represented the connection among cultures, technology and employment (industries) and which also clearly expressed Wood’s ambitions obtained and fostered (in Phase 1). The founding of the concept of ‘cultural industries’ illustrates Phase 2 of creating concepts (the externalisation mode) in Nonaka’s five-phase model (see Figure 2). However, it should be noted that, unlike Nonaka’s premise, the concept of cultural industries was not externalised from Phil’s ‘brain’, but was ‘founded’ through ‘learning by
walking around’ London.
The finding of the concept of ‘cultural industries’
affected the direction of ‘cultural people’ in
Huddersfield. Brain Cross described it as follows:

This time was the emergence of the ‘cultural
industries’ as a concept and if you describe it,
it was ‘a window of change’. I often think of the
analogy that we could hoist our own sail and then
sail the boat. The concept of the cultural industries
was our sail and we could move together with this
change. It was significant because we thought we,
a small group, were able to come together, even
though we were economically at a very low level
of activity. I thought we could become something
bigger, could be larger, in some part. And I thought
this idea came together at that moment.13)

3.4 Phase 5: Cross-levelling of knowledge: The
internalization mode
In the early 1980s, the first knowledge spiral of
cultural industries generated around the Libraries and
Arts Department in KMC ended the creation (finding)
of the conceptual knowledge of ‘cultural industries’. In
other words, using Nonaka’s term, the concept could
not reach the phase of its justification (Phase 3) and
a policy to which the concept was applied was not
formulated (which is related to Phase 4 of building
an archetype). But this concept was internalised into
Phil Wood and cross-levelled to Cultural Industries in
Kirklees (CIK), a voluntary-based cross-agency team
(which corresponds to Phase 5 of cross-levelling of
knowledge) (see Figure 2); the development will be
further explained and illustrated in the next paper.

Figure 2: The first knowledge spiral of cultural industries within Nonaka’s five-phase
model framework (Source: Author)
4. Conclusions

This paper has attempted to answer the question of whether Nonaka’s theory is applicable to the (empirical) context of UK urban regeneration, looking at the background in early 1980s to CTI. The activities in the ‘early 1980s’ which led to CTI was regarded as the first knowledge spiral of cultural industries in this paper.

The story of the previous activities associated with CTI in the early 1980s has supported Nonaka’s theoretical frameworks in the restricted way. Firstly and overall, the only three of five phases in Nonaka’s theory have been found in the activities in the early 1980s which led to CTI, which include Sharing (accumulating) tacit knowledge (phase 1), creating concepts (phase 2) and Cross-leveling of knowledge (phase 5), but in the different shapes which Nonaka assumed. Secondly, in Nonaka’s five knowledge-creating conditions, only fluctuation was found in the knowledge spiral around ‘cultural people’.

Thirdly, the case study has shown the importance of Phase 2 of creating (strong) concepts (the externalization mode of knowledge) and the potential limitations of this notion in the urban regeneration context. In the first knowledge spiral of cultural industries the concept was taken from intellectuals, rather than externalized from inside by members of ‘cultural people’.

By taking all factors into consideration, because some elements of Nonaka’s theory have been found in the activities in the early 1980s which led to CTI, it can be concluded that Nonaka’s theory may be applicable to the background activities in the early 1980s to CTI in the restricted way. The next papers will examine the application / relevance of Nonaka’s theoretical frameworks to urban regeneration in the activities in the late 1980s which led to CTI in Huddersfield.

Notes
1 ) See Adachi, Yamanashi Global Studies No.10
2 ) See Nonaka & Takeuchi (1995)
3 ) Interviewed on October 28th 2003
4 ) Interviewed on October 31st 2003
5 ) Interviewed on October 28th 2003
6 ) Interviewed on October 28th 2003
7 ) Interviewed on October 28th 2003
8 ) The term ‘accumulation’ is one of the linguistic meaning functions in the TEAM linguistic framework, which is the same quadrant with the socialization mode of knowledge conversion in Nonaka’s SECI model (see Adachi, 2011).
9 ) Interviewed on October 28th 2003
10 ) Interviewed on October 28th 2003
11 ) Interviewed on October 31st 2003
12 ) Interviewed on October 28th 2003
13 ) Interviewed on October 29th 2003

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