Knowledge Strategies

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What is a Knowledge Strategy?

- **Knowledge Strategy** can be “thought of as balancing knowledge-based resources and capabilities to the knowledge required for providing products or services in ways superior to the competitors” (Zack, p. 131)

- If we define a knowledge gap as a distance between the present state of organizational knowledge and the state where the company intends to be in the future, then, a knowledge strategy will contribute to bridge this gap (Zack, 1999).

Knowledge gap

Knowledge Absence

Ignorance
- Lack of data and information

Indeterminacy
- Not knowing what the competitors will do

Incommensurability
- Lack of a certain metric for knowledge


Spender, J.C. (2014)

Developing a knowledge strategy
*California Management Review, 4(3), 125-145*

*Business strategy,* Oxford University Press
Knowledge Absence

• **Strategy’s meanings are always “situated” reflections of the knowledge absence** (Spender, 2014, p. 4)

• Knowledge absence cannot be eliminated completed, but it can be reduced by **performing strategic work**.

• **Strategic work** “embraces imagination, judgment, and creativity” (Spender, 2014, p. XIII), and thus it is not limited to only rationality and logic. Strategic work needs a switch from logic, linear and deterministic thinking to judgment and creativity based mostly on nonlinearity and probabilistic thinking.

• Thus, when discussing about strategic work, we have to consider all the components of knowledge: rational, emotional, and spiritual.

• Also, we must include time and its direction from the past to the present and from the present to the future. That direction is given by the entropy law applied to real irreversible processes.
“Reports that say that something hasn’t happened are always interesting to me, because as we know, there are *known knowns*; there are things we know. We also know there are *known unknowns*; that is to say we know there are things we do not know. But there are also *unknown unknowns* – the ones we don’t know we don’t know”

(Rumsfeld, 2002, Press Conference)
The Known-Unknown Matrix

- Known - Knowns
- Known - Unknowns
- Unknown - Knowns
- Unknown - Unknowns
Generic Knowledge Strategies

Known-Knowns
- Knowledge Exploitation Strategies
- Knowledge Sharing Strategies

Known-Unknowns
- Knowledge Acquisition Strategies
- Knowledge Exploration Strategies

Unknown-Knowns
Unknown-Unknowns
Knowledge Exploitation Strategies

• **Knowledge Codification** implies transforming cognitive, emotional, and spiritual knowledge into messages that can be understood by all employees of a certain organization.

• **Codification** applies usually to **explicit knowledge**, in order to facilitate the knowledge flows, or to provide practical ways for its storage and retrieval.

• **Codification** can also be applied to **emotional knowledge** as dress code, color code for showing some forbidden areas, or sound code for emergency situations.

• **Knowledge mapping** implies identification of the distribution of individual knowledge within the organization and mapping that distribution in ways easily to be found.

• **Knowledge exploitation strategies** should not be reduced to operational efficiency methods.
Knowledge Acquisition Strategies

- **Knowledge acquisition** is based on the idea that I know what I don’t know, and I know how to get the knowledge I don’t have.

- **Knowledge acquisition** can be done by purchasing knowledge that is embedded in books, research journals, technical and scientific reports, data, information and knowledge bases, as well as software programs.

- **Knowledge acquisition** can be done by working with experts from consulting companies, and by asking trainers to implement some training programs.

- **Knowledge acquisition** can be done by hiring talented, creative, and people with experience in some specific domains.

- **Knowledge retention** from old people who will retire soon in order to reduce the risk of critical knowledge loss.
Knowledge Sharing Strategies

- **Knowledge sharing** does not contribute to knowledge creation. It is only a process of changing the distribution of knowledge within organization in order to increase its entropy and its potential for innovation.

- **Knowledge sharing** is based on the willingness of people with a rich experience to share a part of it with other people. It becomes a strategy when the top managers think how to transform such an individual attitude into organizational learning.

- **Knowledge sharing** is in conflict with knowledge hoarding, a reverse attitude of people who are afraid of loosing their power. Managing the dynamics between these two conflicting attitudes can be done by creating a culture of trust and a system of rewarding people who share their knowledge.

- **Knowledge sharing** can be increased by stimulating intergenerational learning and creating Communities of Practice.
Communities of Practice (CoPs)

• “Communities of practice are groups of people who shape a concern, a set of problems, or a passion about a topic, and who deepen their knowledge and expertise in this area by interacting on ongoing basis”


• CoPs need to satisfy a set of minimum requirements:
  - A well-defined domain of knowledge sharing
  - A leader who can develop a high level of social trust
  - A critical mass of participants
  - An agenda of events, and system of online information and working
  - A rewarding system such that people who are active in knowledge sharing to be appreciated.
Exploration Knowledge Strategies

- The situation for elaborating these strategies can be described by the expression “I don’t know what I don’t know”. The meaning refers to that future about which I don’t have any information and knowledge.

- People who live and work based on their dominant deterministic way find very difficult to understand such a situation full of unknowns.

- A good example could be this COVID-19 pandemic that is a Black Swan phenomenon and the future we will experience after it. Many authors discuss about a new normal life, but how this “new normal” will look like? After such a global and complex crisis, nobody can tell us how the new normal will be.

- The exploration strategies aims at knowledge creation, that means new knowledge we need to solve the future probable problems.
Kolb’s Experiential Learning Cycle

Concrete Experience

Reflective Observation

Abstract Conceptualization

Active Experimentation
Nonaka’s Knowledge Dynamics Creation Cycle

- Socialization
- Externalization
- Internalization
- Combination
The Strategy of Scenario Design

- Some strategists advice us to think of the future as a series of possible events and not as an extension of the present time. They prefer to talk about possible futures and not just one well-determined future.

- Their approach is to design possible scenarios for these imagined futures, based on some hypotheses.

- Thus, scenario design is a conceptual instrument for stretching our imagination and creating some possible evolutions of the company, each of these scenario with possible opportunities and associated risks.

- The purpose of scenario design is not to predict the future, but to explore it based on the trends identified at the present time and on the some hypotheses of their evolution.
From Future to Futures

- In Strategic Management it is important to switch from Future to Futures since always there are more options than we think of.

- The 3Ps and the W for Futures
- W – The wild card: improbable events which bring discontinuities in the time continuum
See that which cannot be seen!

(Miyamoto Musashi, The Book of Five Rings)
Knowledge Strategies are based on Strategic Thinking

Strategic Thinking is about the FUTURE

What is FUTURE?
What is our perception about the FUTURE?
Perception of TIME when we imagine the FUTURE in front of us
The Aymara culture
Perception of TIME in the Aymara culture
Tomorrow       Today

Future          Present            Past

Mon       Tue       Wed       Thu       Fri       Sat       Sun

Past       Present       Future

Past       Present       Future

Today       Tomorrow
Time observer metaphor

The observer is moving

I shall come to you next week.
Time observer metaphor

Time is moving

Event 1

Event 2

Event 3

Present

Future

Time flies by

Time for action has arrived
The Observer is moving & Time is stationary

Deliberate Knowledge Strategies

Integrated Knowledge Strategies

The Time is moving & the Observer is stationary

Emergent Knowledge Strategies
Conclusions

• **Knowledge strategies** are components of **business strategies** and their role is to contribute to achieving a competitive advantage for the company.

• **Knowledge strategies** aim at bridging some **knowledge gaps** and thus reducing the absence of knowledge.

• Designing **knowledge strategies** depends on the **perception of time** and of the future, and on changing our mind from deterministic thinking to probabilistic thinking.

• Any strategy should incorporate a **deliberate component** and an **emerging** one, reflecting us both metaphors used in understanding time and our approach toward the future.

• **Emergent knowledge** strategies are necessary especially during crises, when the future comes over us, as it is now with this COVID-19 pandemic.
Thank you for your attention!