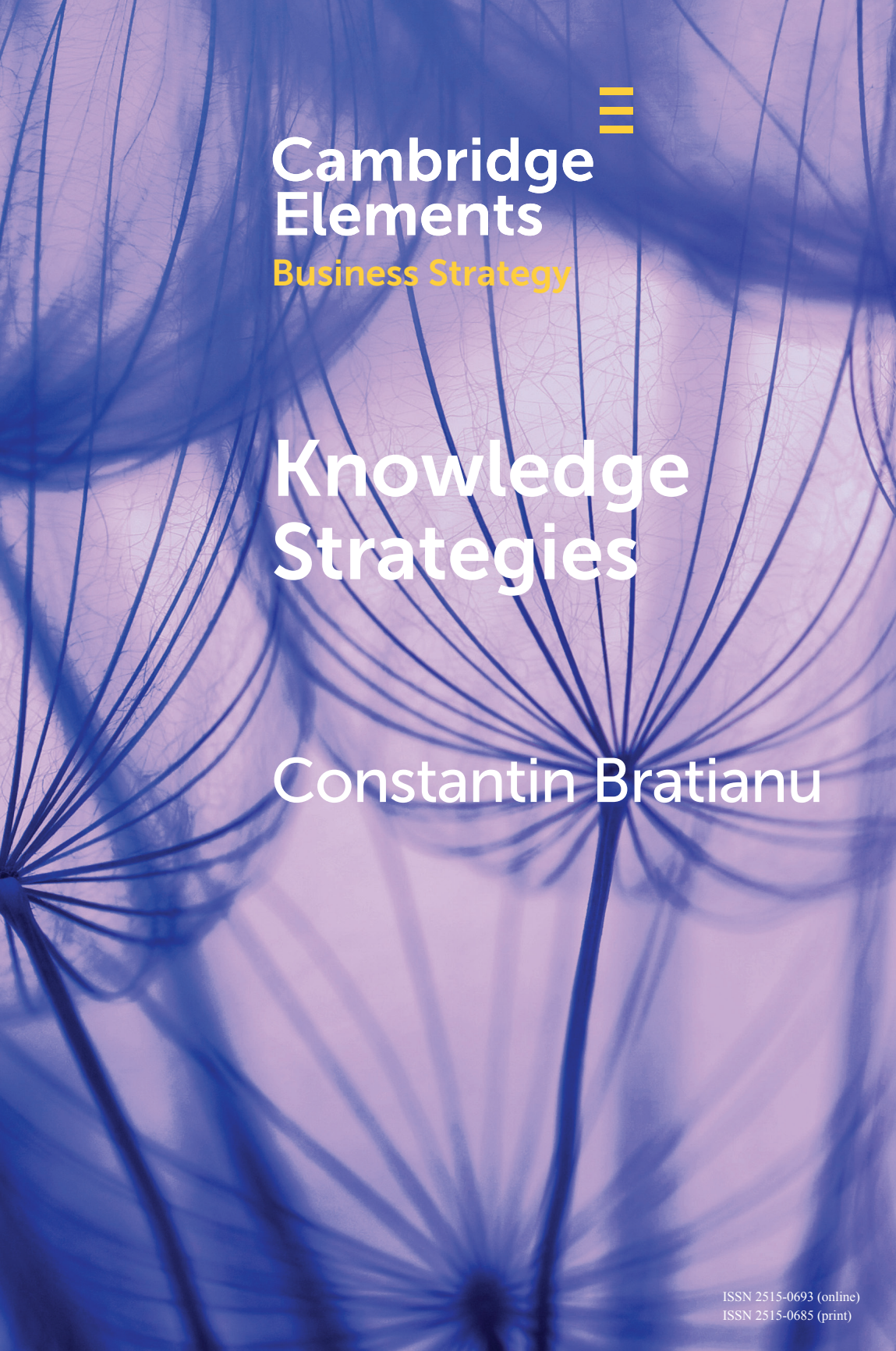

ISSN 2515-0693 (online)
ISSN 2515-0685 (print)

Cambridge Elements

Elements in Business Strategy
edited by
J.-C. Spender
Rutgers Business School

KNOWLEDGE STRATEGIES

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CAMBRIDGE
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University Printing House, Cambridge CB2 8BS, United Kingdom

One Liberty Plaza, 20th Floor, New York, NY 10006, USA

477 Williamstown Road, Port Melbourne, VIC 3207, Australia

314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre,
New Delhi – 110025, India

103 Penang Road, #05–06/07, Visioncrest Commercial, Singapore 238467

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www.cambridge.org
Information on this title: www.cambridge.org/9781108818858
DOI: 10.1017/9781108864237

First published 2022

A catalogue record for this publication is available from the British Library.

ISBN 978-1-108-81885-8 Paperback
ISSN 2515-0693 (online)
ISSN 2515-0685 (print)

Knowledge Strategies

Elements in Business Strategy

DOI: 10.1017/9781108864237
First published online: July 2022

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Abstract: Knowledge is a strategic resource for any organization and its deployment is critical in achieving a sustainable competitive advantage. Knowledge strategies were born at the intersection of strategic thinking and knowledge management. Strategic thinking is a mental process of understanding the future and, based on that understanding, of searching for practical ways to achieve a competitive advantage in the market. Strategic thinking is operating in the opportunity space of the organization. This Element explains the strategizing process and presents the knowledge strategies which result from that complex mental process. Organizations can design deliberate and emergent knowledge strategies, which can be integrated into the corporate vision and its strategies.

Keywords: knowledge management, knowledge strategies, knowledge creation, knowledge acquisition, knowledge sharing

ISBNs: 9781108818858 (PB), 9781108864237 (OC)
ISSNs: 2515-0693 (online), 2515-0685 (print)

Contents

1 Introduction

Knowledge strategies were born at the intersection of strategic thinking and knowledge management. Strategic thinking is a mental process of understanding the future and, based on that understanding, of searching for practical ways of achieving a competitive advantage in the market. Strategic thinking is operating in the *opportunity space*, which is "the company's market potential given its environment, including such factors as the demand for its products, the cost and availability of inputs, and the legal and legislative climate" (Spender & Strong, 2014, p. 10). Strategic thinking integrates the company's business model into time perception and identifies the key uncertainties for which solutions should be found.

Knowledge management is a complex process that integrates knowledge creation and acquisition; knowledge sharing and transfer; knowledge transformation, storage, and retrieval; knowledge risks; and knowledge application in creating products and services (Jashapara, 2011; Nonaka & Takeuchi, 1995; North & Kumta, 2018). Managing knowledge is incomparably more difficult than managing tangible resources because of its conceptual nature and nonlinearity. Being intangible, knowledge cannot be seen, cannot be touched, and cannot be measured by the metrics designed for tangible objects. However, knowledge is one of the key strategic resources for many companies, and its strategic management is essential for achieving a competitive advantage for the company (Donate & Canales, 2012; Spender & Grant, 1996; Zack, 2003). In Zack's view, *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 those of competitors" (Zack, 1999, p. 131).

Strategic thinking is about the future, but the future does not exist in our daily experience. It exists only in our minds and only within the framework of our perception of time and its dynamics. Because that perception depends on our experience and cultural context, the strategic thinking paradigm will not be the same for all managers, although the basic ingredients remain the same. These ingredients are uncertainty and the absence of knowledge. Both uncertainty and absence of knowledge increase with distance from the present time, making *strategic work* (Spender, 2014) more difficult. Logical thinking designed for a state of certainty cannot provide solutions for such a future. It must be integrated with imagination and creativity to yield better support for *strategizing*. Paraphrasing Descartes, Nonaka and Zhu (2012, p. 136) assert, "We strategize; therefore we are." Thus, strategizing is a necessity for exploring the future because it is uncertain. "No uncertainties, no strategic work, no innovative activity, no learning experience" (Spender, 2014, p. 28).

Zack (1999) emphasizes the need to be aware of the *strategic gap*, which comes from a *knowledge gap* between *known* and *unknown*, between what the organization knows about its current situation and where the company intends to be. This knowledge gap requires the company to design strategies to reduce the magnitude of that gap. As Zack (1999, p. 135) underscores, "Having performed a strategic evaluation of its knowledge-based resources and capabilities, an organization can determine which knowledge should be developed or acquired. To give knowledge management a strategic focus, the firm's knowledge management initiatives should be directed toward closing this strategic knowledge gap."

Using this as our starting point, we analyze basic knowledge strategies from two opposing metaphorical perspectives: a) time is stationary, and the observer is moving toward the future, and b) the observer is stationary and time is flying toward him or her. The first perspective requires deliberate strategies, while the second perspective needs emergent strategies. However, knowledge strategies are integrated strategies that contain both deliberate and emergent components.

Unpacking the dynamic of the *known-unknowns* (Dalkir, 2005; Rumsfeld, 2002), we identify four generic knowledge strategies that are available to any company: knowledge exploitation, knowledge acquisition, knowledge sharing, and knowledge exploration. These strategies can be used alone or they can be combined to generate knowledge synergy. The state of organizational knowledge that is the most complex and difficult to understand is represented by *unknown-unknowns*, which reflect the dynamics of uncertainty and the absence of knowledge that is unpredictable. Knowledge exploration can be the designed strategy, but it must be supported by visionary leadership and creative organizational culture.

Emergent strategies aim to enhance organizational learning and develop learning organizations. These strategies integrate a conceptual design with practical implementation to provide a faster answer to the need for emergent knowledge. Smart companies develop integrated designs, which contain both deliberate and emergent knowledge strategies (Bolisani & Bratianu, 2018).

2 Understanding the Future

2.1 The Complexity of Time and Its Perception

Time is an abstract concept, and its understanding is based on our metaphorical thinking. Since our experience is influenced by events and motion in space, the main properties of the concept of time are consequences of the properties of events: "Time is directional and irreversible because events are directional and irreversible; events cannot 'unhappen.' Time is continuous because we

experience events as continuous. Time is segmentable because periodic events have beginnings and ends. Time can be measured because iterations of events can be counted" (Lakoff & Johnson, 1999, p. 138). In conclusion, time is linear and irreversible.

Metaphorical thinking is a cognitive process of understanding abstract concepts by analogy with known objects from the external world (Fauconnier & Turner, 2002; Lakoff & Johnson, 1980; Pinker, 2008). A metaphor is a conceptual construct composed of two semantic domains and a mapping function. The *source* domain contains the known object and its attributes, while the *target* domain contains the abstract concept and its potential attributes. Based on our experience and judgment, we use the *mapping function* to transfer some attributes of the known object from the source domain to the abstract concept from the target domain. Thus, an abstract concept reflects the structure and some features of the known entity. For instance, in the "time is money" metaphor, we have money in the source domain and time in the target domain. Then, attributes of money like saving, wasting, and budgeting can be mapped onto the target domain and enrich the concept of time (Lakoff & Johnson, 1999). Thus, *time* becomes an economic resource that can be used to measure and improve work efficiency (Drucker, 1993; Stiglitz & Walsh, 2002). A metaphor is a semantic construct that is unidirectional and asymmetric. It is *unidirectional* because the mapping function acts only from the source domain to the target domain. It is *asymmetric* because the target domain has a deficit of attributes for the abstract concept – a deficit we want to reduce by using the mapping function. Not all the attributes from the source domain can be mapped onto the target domain, and not all the attributes in the target domain originate in the source domain. For *time*, the most important metaphors are based on comparisons with *space* and *motion*. We understand time through spatial metaphors (Boroditsky, 2000; Lakoff & Johnson, 1999).

For most people, especially those from a European or American culture, orientation in time emerges from their orientation in space. Imagine yourself standing up and looking straight in front of you for the next destination. That is mapped in the time domain as being positioned in the *present* and looking forward to the *future*. Behind you is the road already traveled, which is mapped in the time domain as being your *past*. As Núñez and Sweetser remark (2006, p. 402), "all documented languages (with the exception to be discussed later) appear to share a spatial metaphor mapping future events onto spatial locations in front of Ego and past events onto locations behind Ego." Thus, the structure of the *time orientation* metaphor can be represented as follows (Lakoff & Johnson, 1999, p. 140):