

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

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### An introduction to Knowing, Knowledge and Strategy

Hi! Welcome, welcome back to Cebu, or in fact Naga in Cebu, and my very noisy outdoor studio.

You are witnessing the result of something like seven years of teaching business strategy, (if you can), plus, oh I don't know, another 10 years consulting experience in management development. And all of that had led me to the conclusion that what we teach in the business school, to be candid, is rubbish really, in terms of doing strategy. I wanted to try and, I don't know, finish off my career, or just settle some issues which had been bothering me.

So there's a sequence of videos under the broad title of



Rethinking  
Strategic  
Thinking, and  
there has been  
part one, and

this is now part two.

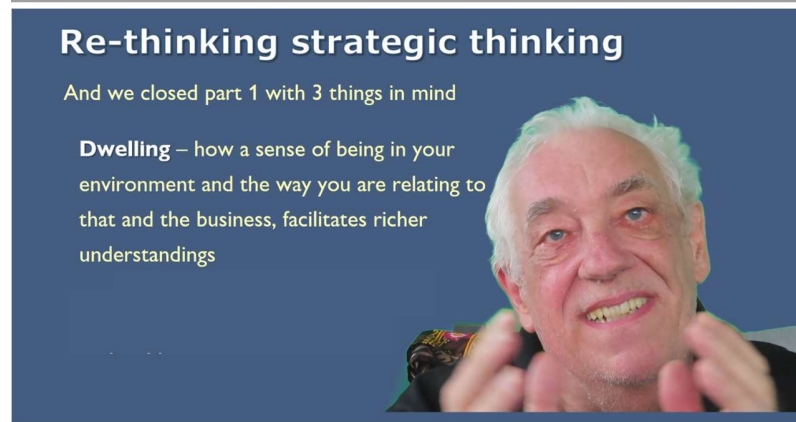
Now in part one we explored the thinking behind many of the popular how to do strategies. If you register on a business policy or business strategy course in a business school, these are the first things you're going to come across.

So we were looking at these and we were looking at the theories that they were derived from.

Now as we were tracing those, through time as they emerged, we saw an increase in the use of the words competence, capability, knowledge. And having seen those emerge, we closed part one with three things in mind, and those were a sense of dwelling.

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy



If you leave behind the concepts, the theory, the map, and immerse yourself in a territory more appreciated, then a sense of dwelling how you are in your environment, the way you're relating to things in your environment, the way you're relating to the business. This dwelling, better quality dwelling, facilitates richer understandings of the business and what's happening to it in the environment, whatever that might be. So that was the first one we had in mind. And the second thing that we had in mind was the idea of learning.

Heavy rain. Well you are in the Philippines, when you get rain it's heavy.

Well as you can see it's another day and when the rain stopped I carried on recording the rest.

In the hope that the noise of the rain wouldn't be too much.

It was too much. So here we are and where we left off was having spoken about dwelling, the second of our three things in mind after part one was **learning how things emerge,**

**learning how they happen.**

Okay.

And the third, knowing. Knowing has proved to be a bit of a slippery word as I've been preparing this stuff. I've used it with a slight change of meaning without realizing, which is a terrible thing to do when I'm doing this.

Knowing is a process of knowing how, okay, how to do something, how to respond to something,

how to say, how to propose, how to argue if you wish.

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

---

Knowing in this general process sense that we're speaking of is knowing how to respond and as such, knowing enables coping.

Now coping is a serious, seriously it is, an important idea in the later writing of Chia and Holt. This later bit we have not got to yet.

John you idiot. But they go on to describe strategy as everyday coping, okay.

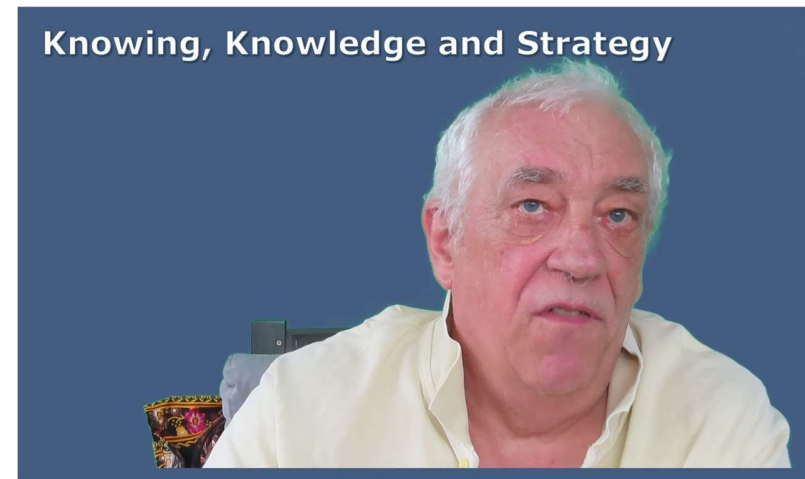
And I can understand that. It's the way you're responding as things go on. Strategy as a process is about doing your business. It is about the everyday things.



You might go and have a strategy workshop, blah, blah, blah, blah, blah. And the critique of your strategy workshop is it's got naff all to do with what people do every day in the office or in the workplace, which is where your strategy is executed. That's where it's delivered.

So anyway, here we are following day.

And three topics for this video.



Knowing, knowledge and strategy, okay.

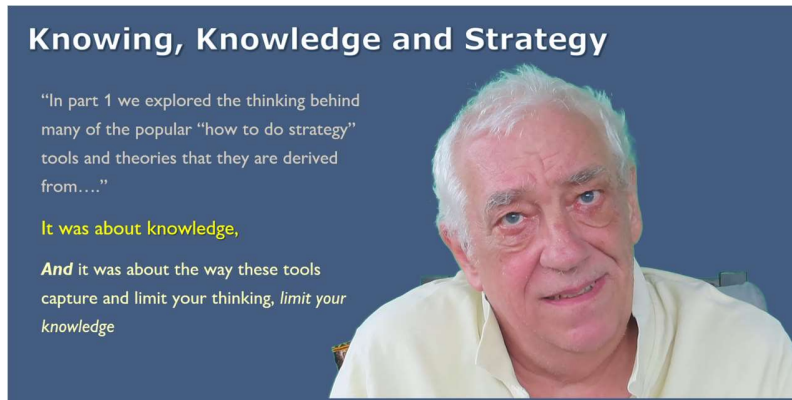
# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

Part one we explored the ideas behind the popular how to do, the strategy 101 stuff.

And we explored the ideas because we wanted to understand or see the tools and the theories that were derived.

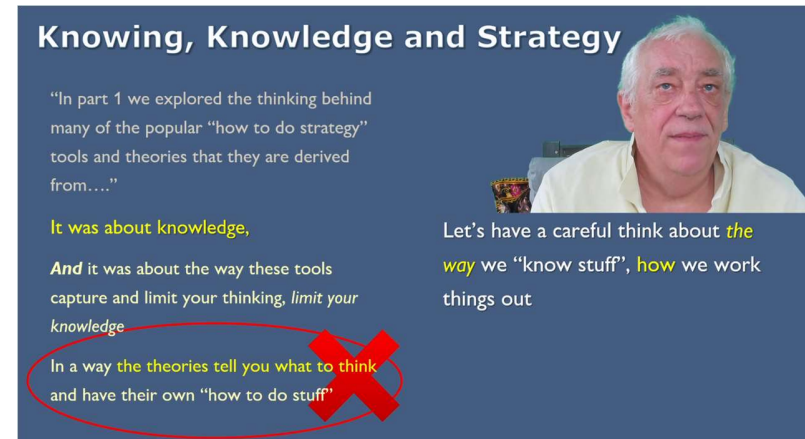
It was about knowledge.



It was it was also about what I was wanting to demonstrate was these ideas capture your thinking and because they capture your thinking within one particular (and I think not useful framework), it stops your knowledge. It stops your thinking, you know, because you're doing this, you know,

you're not doing anything else, which, could be more useful.

So just disturbed by that. *The issue is that stuff or any theory, in fact, tells you what to think.*



It's puzzling. Well, yeah, but if we are thinking strategically, if we're wanting to understand knowing, then we need to have a careful think about the way we know stuff. How do we know stuff? It's formally the epistemology of what it is that we're doing.

If we understand how we do that, if we understand how we work things out, we can develop our own sense of knowing.

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

What's right? What's appropriate? In a way that sound strategies are shared and sound strategies are emerging. [I do

**Knowing, Knowledge and Strategy**

"In part 1 we explored the thinking behind many of the popular "how to do strategy" tools and theories that they are derived from...."

It was about knowledge, **And** it was about the way these tools capture and limit your thinking, *limit your knowledge*

In a way **the theories tell you what to think** and have their own "how to do stuff"

Let's have a careful think about **the way** we "know stuff", **how** we work things out and develop **our** sense of knowing what to do so that sound strategies emerge...

hate recording things a second time. It's almost as if my brain turned off in the middle. What does that tell you about strategy and strategic thinking?]

This guy in this quote, well, he was a funny bloke who taught at Nottingham Business School.

And his Chinese students gave him this name. And what he started to tell the students, something which to him seemed simple and the students seemed to grasp, but you wouldn't

find in a textbook was this. **Strategy is not so much a puzzle with a unique right answer. It's more a process of realizing what you've got and how you use it. Simple.**

This stuff, this stuff has come out of my researching and thinking and doing strategy for students.

I'm giving it to you in a sort of frame, which is an outcome of experience. But I also ought to give you where the thinking came from so that if you wish you can go and find it. And these are probably the most informative books that I was looking at and I was using.

**The theoretical sources and academic stuff:**

- Knowing in Firms: Understanding, Managing and Measuring Knowledge** by Georg von Krogh, Johan Roos, and Dirk Kleine (Paperback - 4 Dec 1998)
- Sensemaking in Organisations** by Karl Weick (Paperback - 1995)
- Enabling Knowledge Creation: How to Unlock the Mystery of Tacit Knowledge and Release the Power of Innovation** by Georg von Krogh, Kazuo Ichijo, and Isajiro Nonaka (Hardcover - 18 May 2000)
- Arguing and Thinking: A Rhetorical Approach to Social Psychology (European Monographs in Social Psychology)** by Michael Billig (Paperback - 28 Jul 1989) 2<sup>nd</sup> Edition though!

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

The one which you will not find quoted in any of this apart from right here now is “Arguing and Thinking”, Billig, Michael Billig. He taught down the road from us at Loughborough.

His argument is that: – it's so simple but so hard to express – **everything we know comes about in conversations, in dialogue.** And as a consequence he becomes very, very interested in the process of dialoguing, the process of talking, and he was interested in the quality of communication and the way the communication worked. And one of the more important ideas that he had and set down, which we just don't pay attention to in our everyday speech – in fact, until I tell you, you won't even be conscious of it now – is this.



When somebody's speaking, they are putting stuff in the foreground. And these are the ideas that you are trying to track. They're the thing that John is talking about.

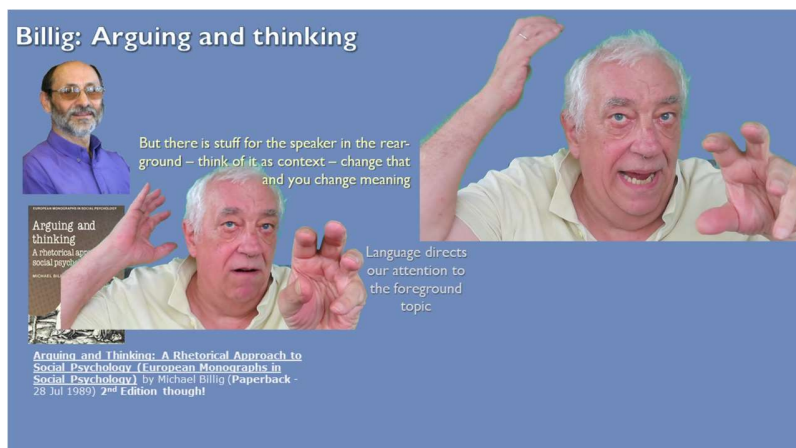
But there's something else as well. There's stuff in the background, in the rear ground as Billig calls it, which probably is not mentioned.

One way of thinking about the rear ground is the context of this stuff. So here's what we're talking about in the foreground, but what's the context that you've got it in? So just to make this explicit, just to make this clear if you like, I have changed the context. I've changed the rear ground from when I was teaching in an institution – teaching a subject we

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

shouldn't really be teaching in that institution. So it's from education to development, to developing. I'm interested in developing strategic thinking so that the people that I'm engaged with are able to rethink, re-understand.



Acknowledge that there are maybe benefits in changing the way things are happening, the way things are going on. So for the moment all I'm asking you to do is hold.

There's something in the foreground that John's talking about. There's stuff in the rear ground.

That gives a direction – can't really do it like this – a force, if you like, to John's argument.

You might hold different stuff in your background.

“Oh my god the coffee top's boiling!”

It'd be a good idea actually. I've only got water here. Anyway, that's Billig. You can set that back there. Social constructionism, really, I suppose. Oh dear, there was a word I didn't wish to include.

Second book.

The second book is Sense-making in Organisations.

Now, in a way, similarly to the stuff that Billig was talking about, talking about,

Karl Weick has made his academic career out of the issue of how do we make sense. And he discusses how people in organisations make sense. There's an individual sense-making process and there's an organisational sense-making process.

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

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These are not the same. This one depends upon, is reliant on, happens within this one.

This individual one, as people are doing it, contributes to this one.

The sense gets made for the organisation. Now, the two later books, the two that we're about to look at, and again argue this in a slightly different way, but they are still picking up on what was set out by Weick and in a way what was set out by Billig.

“Knowing and firms”.

Understanding and measuring knowledge. I love this book. I hate the title.

I'm going to share with you one chapter, actually. I think it's the opening chapter from this book.

Von Krogh. Really great, really, really great thinker in terms of this knowing, knowledge, strategy, stuff. Really impressed, really impressed. Just worth going and having a look at his stuff

for the sheer ! of it. Be warned though there are a couple of real crappy, sorry, there are a couple of weak chapters in this book.

Why are they weak? Because I don't agree with them. Though actually you'll see they sit outside of a broad pattern of writing within the book.

Principally, why don't I like it? Because those chapters treat knowledge as a measurable entity and I just simply do not go with that. Now you know my prejudice.

“Enabling knowledge creation”.

Oh look, Von Krogh again. And Nonaka. Nonaka specialized, rather like Hamel and Prahalad, in understanding the way in which Japanese businesses work.

And the thesis that they put together here is that those businesses don't, don't do strategy per se. They don't, they don't have, they don't use the word strategy, the strategy. Which is interesting because Porter said the same thing.

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

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Except from a strategic point of view, Japanese businesses tend to be a lot better at what they're doing, at least the big ones do, than the European or American ones. There's a conundrum. Well, what they're doing is explained in "enabling knowledge creation". And at the end of this video, this piece, we'll be looking at one of the ideas that they've developed rather carefully. I was going to say in depth, but we're not doing anything in depth, you know, we take a very careful explanation of it to, to understand it, understand it, so that you can think about how you use it. Okay.

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Okay, so this first part, this first bit was created because the original was too long, for one take. It was 90 minutes. I can't imagine anybody picking that up and watching it for 90 minutes. So I've split it into sections. The first bit, the bit you have seen was about how we get to know things.

It was about knowing or rather it was a discussion about the way that we come to know things is so very, very important. And it set down some clues about where we will be going, where we will be traveling with this idea of knowing. Bit one serves as a preface to bit two,

*This is the close of "bit 1"....  
The original was too long for one take...  
So I have split it into subject bits*

This bit was about how we get to know things....  
About knowing  
A preface to "knowledge"

It includes the academic sources and comments on how they have helped me to "know" and understand...

*The idea of knowledge is next*

which is about knowledge. Bit one included academic sources that have informed me and comments on how they've helped me to know and to understand.

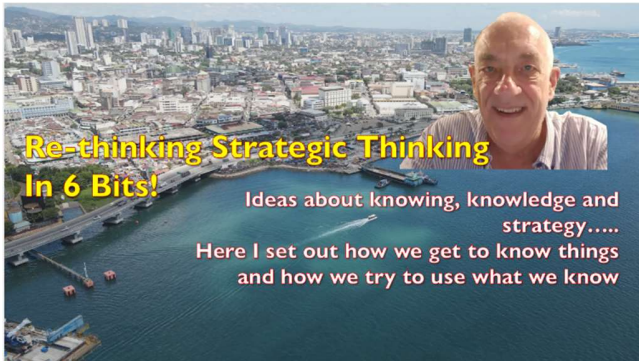
And I bet you can guess. The next bit, bit two, is about the idea of knowledge.

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

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You take care. We'll see you next time.



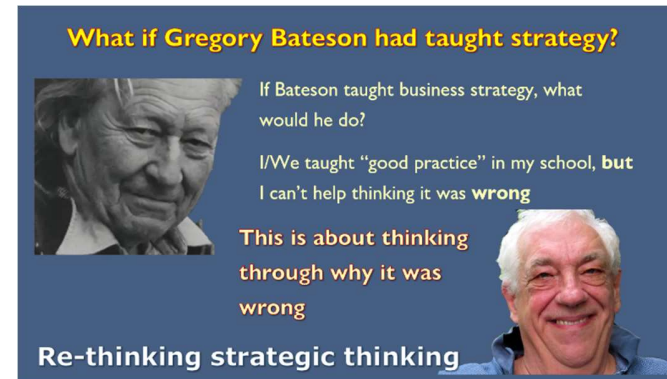
The playlist

<https://www.youtube.com/playlist?list=PLOlzrdw8c9lxsImsgFsy7CO32-kTfqI4>



The playlist:

<https://www.youtube.com/playlist?list=PLOlzrdw8c9lzyKhwi0Xupdt6ualjVAT9I>



Playlist :

<https://www.youtube.com/playlist?list=PLOlzrdw8c9lwHRAUm4v9VIm2AifP3B2N>