

# Re-thinking strategic thinking

## Knowing, Knowledge and Strategy

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### The notion of knowledge and tacit knowledge

00.00 Oh, hi! Here we have Rethinking Strategic Thinking, part 2, bit 2.

In bit 2, we're going to talk about the notion of knowledge.

We're also going to introduce and talk about tacit knowledge.

00.23 Tacit knowledge is how we do stuff. It's important.

After all, strategic thinking is about how we do stuff.

00.34 There's an important idea, a distinction, a distinction in the things that we know, a distinction in the things that we talk about. And knowledge is the same. You can distinguish different types, yeah, let's say types, different types of knowledge.

00.59 And two really, really important distinctions are this.

**Explicit** knowledge, sometimes called expressive knowledge. This is stuff that can be readily articulated. This is stuff that we can put in books. We can codify it, we can formalize it, we can have special languages or conventions for representing it. So we can write formulae, we can write code books, coding books, we can write manuals, specifications, all this stuff. And that sets down the explicit knowledge. So the theory goes, when it's codified, it's transmittable, it can be transmitted. It can move from person to person, if you like. People can pick up a document, read it, and then they've got it. It can also be stored in various media, you know, like a video.

02.24 The other one, **tacit**. Less well known, less spoken of in everyday life, but tacit knowledge is really, really important.

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02.36 Tacit knowledge can be defined as the skills, the ideas, the experiences that are possessed by individuals.

They're not codified, and they are not very easily expressed.

They can't be expressed directly, they can only be expressed, if at all, metaphorically.

Tacit knowledge is behind physical skill.

You cannot become physically skillful unless you have the tacit knowledge.

03.19 The tacit knowing how to do something

It's all about what's in here.

The thing about tacit knowledge is that people are often not aware, in one sense, of what they know, but even more so organizationally, they're not aware that what they possess as tacit knowledge would be

useful to somebody else. It's a strange thing. Tacit knowledge is in use every day, but hidden for a while somehow.

04.03 The effective transfer of tacit knowledge requires extensive personal contact, time together, time interacting with each other, and the development of trust.

04.29 **This kind of knowledge, it is said, can only be revealed through practice, in a particular context, and transmitted through social networks.**

To some extent, it's captured when the knowledge holder joins the network, or a community of practice, and goes on to share what they have within that community of practice, within that network.

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I like this little  
table tennis  
graphic, really.

Table tennis has so  
much tacit

knowledge and understanding. Even the notion of  
strategy, or should I say, in this particular tactic,  
you're not going to put there, put there, put there,  
put there, and whizz with it. You can't deliver that  
without a lot of tacit knowledge, because it happens  
so fast, you do it.

There's no mental processing, no strategic...

It's a lovely, lovely example of high level, highly  
developed, tacit skill in use.

05.43 It's time for a puzzle.

I wonder which comes first, the chicken or the egg?

**I wonder which comes first... the chicken or  
the egg?**



**Task for my students**

"In small groups, for 10 minutes, please discuss and agree, which comes  
first, the chicken or the egg?"

I don't know if I choose to argue with him. He's not  
very trustworthy to me.

06.01 This was a task I would give my students in one of the  
early lectures, probably the first one, actually.

Anyway, in small groups, ten minutes, please discuss  
and agree which comes first, the chicken or the egg.

06.18 Now, when the students report, I'm interested in a  
couple of things which they might not get at first.

What do they know? What do they easily articulate?

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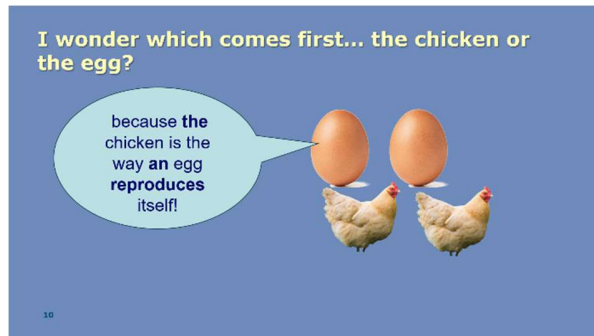
An egg is an egg, an egg comes out of a chicken. When an egg hatches, you get a chicken.

What's the explicit stuff that they come out with?

06.44 I challenge them to think through how they know that.

If I'm really lucky that they get to work out why it is they're in such a mess over this question, which comes first, the chicken or the egg.

So the next tease, if you like, the chicken is the way an egg reproduces itself.

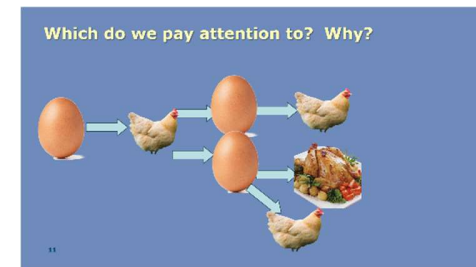


They look at me quite puzzled at this stage.

07.25 Does that insight change your view at all? If it changes it, how come? What is it that changed to change your view of which comes first, the chicken or an egg?

07.46 Sorry, did I just say something?

Which do we pay attention to? Why?



That was quick, wasn't it? Sorry.

08.03 A new task.

Working in small groups, 10 minutes please. I want somebody to act as a reporter, giving an account of how you undertake this task.

**Which comes first, knowledge or strategy?**

And please, what is your reasoning for the decision that you give me?

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08.36 Okay, into the review, how have you approached it?  
What did your team do exactly? Can you identify your assumptions that you made? What was the logic that you came up with? And what did you argue about?

Sometimes the argument is quite divisive, essentially.

09.00 So again, I push the students to try and give me the unraveling story of the conversation. Because it's in that unraveling of the story that we might be able to pick out a process that's going on. That process is likely to involve two or maybe three characters within the group.

And if we really got into it, we would be looking at the way in which they use language and their language patterns to try and infer from that their thinking process.

We don't get that far with the students.

But I do want to see if they can surface any assumptions that they've made that are driving the process. Can they recognise that there is something shaping their thinking?

10.07 Oh well, okay, all of that. So what?

Strategy tools in part one were examples of *explicit* knowledge.

There's no cognizance of how we as actors in an organisation, how we as actors do things.

How we do stuff, tacit stuff, is missing.

The theories take a cognitive view, which we'll look at in more detail later.

10.45 But I'm arguing that this cognitive view of knowledge, this explicit view of knowledge, is not that useful in learning how strategic thinking enables strategic doing. So, I want the students to realise something else is

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active. How they do things influences the outcomes of what they do.

11.21 No, not more theories! Oh yes, oh yes.

What is it?

For all the critique of the impoverished stuff that we deliver on the strategy courses within a business school, **I've got to**

**say theory is important.**

**Understanding it is important.**



And I've got to speak about that.

11.57 The theory, the concepts that we express in language, helps us organise all our stuff. It helps us organise our observations, it helps us give significance to those and to interpret them.

It helps us to create patterns.

So the knowledge, the theory that we use, offers patterns for our stuff.

12.37 If you use different knowledge, if you use different theories, you do end up with different stuff.

Or should I say **a different pattern of stuff?** Same stuff, but different patterns.

And therefore has **different significance, different meaning.**

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So, this bit has dealt with the idea that we must understand how we are thinking, how we construct the way we make sense, gaining tacit insight, if that's the right expression, into the way in which we think, and also trying to understand the pattern of how you think.



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In addition to that, we have been exploring and stressing that the knowledge, that the theory that we use, offers patterns for all of the stuff – what's the better expression – all of the stuff that we're bringing to bear in thinking strategically.

**And what we must understand is how different knowledge, different theory, reveals, causes or sets up different patterns of stuff.**

In the next bit, we will be exploring how these different patterns impact on our thinking strategically.

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



The playlist

<https://www.youtube.com/playlist?list=PLOlzrdw8c9lxlmsgFsy7CO32-kTfqi4>



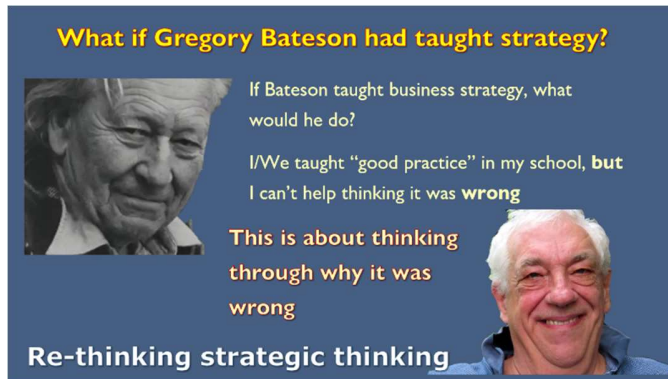
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<https://www.youtube.com/playlist?list=PLOlzrdw8c9lzyKhwi0Xupdt6uaLjVAT9I>



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