

Re-thinking strategic thinking

Knowing, Knowledge and Strategy

The impact of our view of knowledge on strategy thinking and process



Bit 3 introduced three ways of profiling knowledge, three modalities, which we will use in Bit 4 to understand the impact of our view of knowledge on strategy thinking and process.

In Bit 4, we explore the impact of the cognitivist and the connectionistic modalities on

our three concerns – dwelling, knowing and learning.

00.39 So, the cognitivist modality.

View of the organisation goes like this. It works like a mainframe computer. It's open to information which is collected and stored centrally. Action is steered by the mainframe of top management.

I love this bit. “Our business was formed by the founder and he still takes all the important decisions.”

So there.

01.27 The perception of the environment and the positioning of the organisation.

The environment is pre-given. It is what it is. It's there, absolutely.

And the main task of the organisation is to build a picture, a representation, maybe a video, I don't know, and then adapt to that.

01.50 Perhaps, as you say, the traditional, the initially understood role of the head of strategy would fit this. “I am responsible for depicting the actual situation that we are in as accurately as possible and making recommendations to senior management and they'll decide what to do.”

The notion of knowledge is fixed, it's stuff. You say what it is, that's what it is. You can represent it, you can store it, you can write it down, send it to

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- somebody and they can read it and pick it up. It's easily shared.
- 02.39 And somebody joining that organisation might get told something like this: "We have large documentation about what our knowledge is and how we use it. If you spend time reading it, you will know what we know. You will know how the company works."
- 03.02 Now the notion of dwelling here is not dwelling in the real world, **it's not dwelling in the actual environment.** Dwelling here is dwelling in the documentation because that's where the environment is because we have mapped it so very carefully and accurately. So if you understand that, you understand the environment.
- A super detailed map, not the real space.
- 03.37 **Learning** is about accessing the data that we have. You access it, you assimilate it and you use it.
- 03.46 **Knowing?** What's that? Nothing. Not recognised. There is no tacit dimension here.
- Knowledge development develops through the assimilation and the dissemination of incoming information.
- We create representations of the outer world and that new representation is our new knowledge of the outer world.
- This number of patents, I think is here and put here by the authors to stress that the knowledge is codified, representable, comprehensible from documents and can be owned and registered as a patent.
- 05.09 The truth is a degree to which our inner representations correspond to the world outside. The truth, as best we know it, is the truth about the environment as it is.
- OK.
- 05.25 I think that the cognitivist modality rules in most discussions about strategy.
- Certainly, most discussions within business schools.

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It's the modality of clean codification and clean explanation.

It's also the modality that empowers the senior central management coalition. It endows them with responsibility for the knowledge that the organisation has, what it does with it, it endows them with the responsibility for strategy.

05.25 I think you might appreciate already, that I'm hoping to argue later, it's not a modality that facilitates management or organisational development.

I don't think you're going to create more effective managers, a more effective organisation by banging cognitivist framed theory into people's heads.

I'm going to be naughty and nasty.

If the guy is a nasty, vicious, bureaucratic *bod*, giving him no amount of human relations, cognitivist stuff, is going to change him. He's not going to change his behavior. He's just going to see it as a threat to his power base, isn't he?

07.30 **Connectionist, or rather, connectionistic modality.**

Here, the organisation is seen and understood in a different way. There is a possibility that the organisation, as it functions, is not the same thing as the organisation in terms of its legal or business boundaries.

I'll let you ponder on that one.

Especially if you have a virtual organisation, one which is empowered by computer technology.

08.22 The issue is this, the communities, the small communities, the groups of individuals, the groups of individuals are self-organized and steered by local rules within that little grouping. And then there's another little grouping, and another, and another, and another.

These little groups have their own frames of reference in the way that they are thinking about or relating to the environment, which we'll come to in a moment.

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09.07 Allegedly the treasurer in this example, but a senior manager in the organization would recognize that a key feature is a strong network of good relationships that allows the organisation to solve complex problems.

So, the organisation is these clusters of people, and they work together, and they get slightly different views of what's going on, *again* in a pre-given world. But they have different views, and they will react differently to what they perceive as going on.

That's recognized in the formal organisation, because they will look at, for example, different regions, and they'll see different patterns in their revenue or their cost structure, or in their delivery processes. And so they will set different financial goals reflecting what it is that they perceive to be there in the environment, and what it is they perceive to be as the problems or the issues.

10.39 So, the knowledge or the know-how resides in the connections between these experts.

And the knowledge, the way the experts are, oh here's a problem, here, here, here, here. If you've got poor, I was going to say, if you've got poor relationships within this network, you will have poor knowledge.

11.20 What's the implication of this four our **knowing**? Well, you need to know who you know, you need to know how well they're placed, and you need to judge their knowledge.

If you can't do that, you don't know very much. Your knowing how to get things done will be limited if you cannot make these judgments.

11.49 The CEO, "my knowledge is developed through interaction with others, mainly over computer technology. If I lost my laptop, I guess I would lose about 70% of my knowledge".

I think I might argue with that last part. He will lose the explicit recorded or encoded elements of his knowledge, which are the result of interactions with the other actors in the network. Okay, he has insight through his connections and his dialogues.

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He doesn't lose the knowledge, he has to go back into the network and recreate it. He just hasn't had a record of what he thought, and that's a subtle but quite important distinction actually

12.47 **Learning** through interactions with others, learning how to trust, learning by doing things together.

Really, really important.

13.03 **Dwelling?** In your relationships, in the way you are relating, dialogues

13.14 In my experience in consulting and in management development, as well as within the business school, most people have some insight into this connectionist modality, even if it's only at the level of organizational politics. How to get on in the organization, who to know, who to impress.

What's sad for me is people do not recognize the social construction of what's known of knowledge within the networks.

13.57 They don't recognize that what is known by members of the organization has come from their own dialogue, discussions, and interactions.

It's just represented in some different way.



In Bit 4, then, we explored the impact of the cognitivist and the connectionistic modalities on our three concerns.

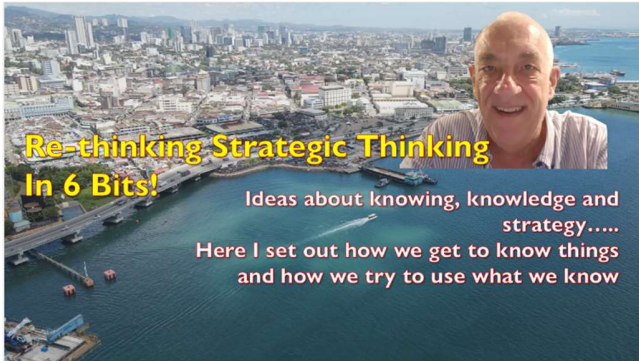
Bit 5 will show how drastically our ideas of organization and strategy are changed by the autopoietic modality in use as we think and talk strategy.

Again, we explore dwelling, knowing, and learning in the autopoietic modality.

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



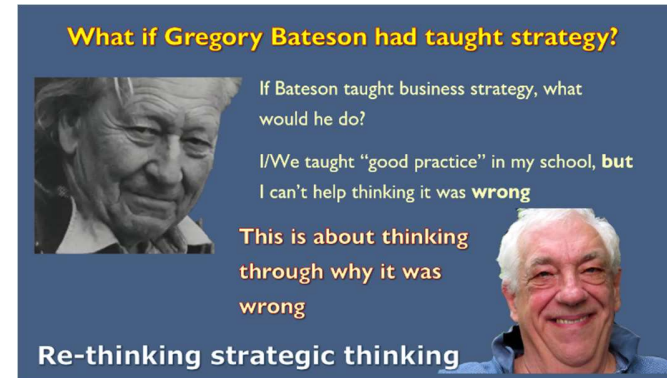
The playlist

<https://www.youtube.com/playlist?list=PLOlzrdw8c9lxslmsgFsy7CO32-kTfq4>



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<https://www.youtube.com/playlist?list=PLOlzrdw8c9IzyKhwi0Xupdt6ualjVAT9I>



Playlist :

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