An exploratory study of knowledge strategy in a knowledge-intensive firm using a strategy-as-practice approach

Françoise de Viron,
Thomas Lederer,
Tanguy De Jaegere,
Alain Vas,
Louvain School of Management
An exploratory study of knowledge strategy in a knowledge-intensive firm using a strategy-as-practice approach

Françoise de Viron, Louvain School of Management
Thomas Lederer, Louvain School of Management
Tanguy De Jaegere, Louvain School of Management
Alain Vas, Louvain School of Management

Summary

We analyse the knowledge strategy (Zack 1999, 2002) in a knowledge-intensive firm, using a Strategy-as-Practice approach (Whittington 1996, 2006), two major research fields in Strategic and Knowledge Management. In order to provide a relevant research field to our investigation, we study the development of the knowledge strategy at one of the leading consultant firms in the fields of strategy as well as knowledge management. First, we explain the Knowledge Strategy framework proposed by Zack (2002). Then, we focus on our research methodology, mainly the approach of Strategy-as-Practice. Thirdly, we present our main analysis results, identifying the key actors of knowledge strategizing and how they are organised to do it. A process view of knowledge strategy is presented identifying key actors, practices and organizational structures. A conclusion of our study is that the conceptualization of knowledge strategy and knowledge gaps does effectively exist in reality. Finally, we discuss the limitations of the present research and propose further research directions and development. This paper explores a new research approach of knowledge management, and could also help knowledge management practitioners.

Keywords: Knowledge Strategy, Knowledge Intensive Firm, Qualitative Research, Strategy-as-Practice approach.

JEL Classification: M19.

This article was developed thanks to the kind collaboration of McKinsey and Company, particularly in the Knowledge Center in Belgium.

Corresponding author:
Prof Françoise de Viron
Center for Research in Entrepreneurial Change and Innovative Strategies CRECIS
Louvain School of Management
Université catholique de Louvain
Place de l’Université 1
B-1348 LOUVAIN-LA-NEUVE, BELGIUM
Email: francoise.deviron@uclouvain.be

The papers in the WP series have undergone only limited review and may be updated, corrected or withdrawn without changing numbering. Please contact the corresponding author directly for any comments or questions regarding the paper. ILSM, UC Louvain, 1 place des doyens, B-1348 Louvain-la-Neuve, BELGIUM
AN EXPLORATORY STUDY OF KNOWLEDGE STRATEGY IN A KNOWLEDGE-INTENSIVE FIRM USING A STRATEGY-AS-PRACTICE APPROACH

FRANCOISE DE VIRON
Louvain School of Management, Université catholique de Louvain, 1 place des doyens, B-1348 Louvain-la-Neuve, BELGIUM
francoise.devron@uclouvain.be

THOMAS LEDERER
Louvain School of Management, Université catholique de Louvain, 1 place des doyens, B-1348 Louvain-la-Neuve, BELGIUM
thomas.lederer@uclouvain.be

TANGUY DE JAEGERE
Louvain School of Management, Université catholique de Louvain, 1 place des doyens, B-1348 Louvain-la-Neuve, BELGIUM
tanguy.dejaegere@uclouvain.be

ALAIN VAS
Louvain School of Management, Université catholique de Louvain, 1 place des doyens, B-1348 Louvain-la-Neuve, BELGIUM
alain.vas@uclouvain.be

Accepted (Aug 1, 2011)

We analyse the knowledge strategy (Zack 1999, 2002) in a knowledge-intensive firm, using a Strategy-as-Practice approach (Whittington 1996, 2006), two major research fields in Strategic and Knowledge Management. In order to provide a relevant research field to our investigation, we study the development of the knowledge strategy at one of the leading consultant firms in the fields of strategy as well as knowledge management. First, we explain the Knowledge Strategy framework proposed by Zack (2002). Then, we focus on our research methodology, mainly the approach of Strategy-as-Practice. Thirdly, we present our main analysis results, identifying the key actors of knowledge strategizing and how they are organised to do it. A process view of knowledge strategy is presented identifying key actors, practices and organizational structures. A conclusion of our study is that the conceptualization of knowledge strategy and knowledge gaps does effectively exist in reality. Finally, we discuss the limitations of the present research and propose further research directions and development. This paper explores a new research approach of knowledge management, and could also help knowledge management practitioners.

Keywords: Knowledge Strategy, Knowledge Intensive Firm, Qualitative Research, Strategy-as-Practice approach.

1 Corresponding author
1. Introduction

As pointed by Argote, Mc Evily and Reagans (2003), knowledge management research spans the disciplines of “economics, information systems, organizational behavior, organizational theory, psychology, strategic management, and sociology”. The number of disciplines involved in the area gives a hint about the global awareness that knowledge management has become of the utmost importance in today’s economy (Nonaka, 1991, 2009).

However, the link between Knowledge management and Business Strategy, while often discussed, has rarely been put into practice (Zack, 2002).

The Knowledge Strategy framework developed by Zack (1999b) is a significant step over that gap. In its research with more than 25 firms, Zack (2002) revealed that “while many managers intuitively believe that strategic advantage can come from knowing more than competitors, they are unable to explicitly articulate the link between knowledge and strategy.” In other words, “many initiatives being undertaken to develop and exploit organizational knowledge are not explicitly linked to or framed by the organization’s business strategy.” Later, he observed that a vast majority of the knowledge management initiatives do not help the organization “determine which efforts are appropriate, or which knowledge should be managed and developed” (Zack, 2002).

In this research, Zack (2002) found the most important context for guiding knowledge management is the firm's strategy. An organization's strategic context indeed “helps to identify knowledge management initiatives that support its purpose or mission, strengthen its competitive position, and create shareholder value” (Zack, 2002). Despite its theoretical value, the link between knowledge management and business strategy is widely ignored in practice. Especially when it comes to evaluate knowledge management efforts and choose between different knowledge management projects (Davenport and al, 1998, Ruggles, 1998).

From this ascertainment, Zack (2002) advocates that firms need a “pragmatic, yet theoretically sound model of what he calls knowledge strategy”. The knowledge strategy model was developed by Zack to complete the traditional SWOT analysis. After performing their SWOT analysis and guiding their strategic intent, firms would perform a knowledge-based SWOT analysis. It will help them identify both the current knowledge they possess and the knowledge they need to execute their strategy. The difference between the actual knowledge base and the knowledge needs constitutes a set of knowledge gaps (see Figure 1).

Once the firm’s knowledge gaps identified, the firm can use it as the building blocks to draw its knowledge strategy. According to Zack (2002), knowledge strategy “describes
the overall approach an organization intends to take to align its knowledge resources and capabilities to the intellectual requirements of its strategy.”

![Knowledge Strategy framework](image)

**Fig. 1. A Knowledge Strategy framework (Zack, 2002)**

The role of the knowledge strategy is summarized by Zack (2002) as follows: “Knowledge is the fundamental basis of competition. Competing successfully on knowledge requires either aligning strategy to what the organization knows, or developing the knowledge and capabilities needed to support a desired strategy.”.

Our objective in this study - and the originality of our contribution - is to understand how knowledge strategy is developed and decided in knowledge intensive firms by using the ‘strategy as practice’ approach within one firm.

2. Research Methodology

2.1. The strategy-as-practice approach


The Strategy-as-Practice approach followed a trend in social sciences that study, with a growing interest, what practitioners are actually doing (Jarzabkowski, 2004). The Strategy-as-Practice school has indeed grown based upon the concern over the gap between the theory of what people do and what people actually do (Jarzabkowski, 2004). It pleads for focusing research on the way that actors interact with the social and physical
features of context in the everyday activities, which constitute practice (Jarzabkowski, 2004). It recommends focusing upon strategists engaged in the real work of strategizing (Jarzabkowski 2004; Hendry 2000; Whittington 1996, 2002, 2003). Practically, this comes down to examine strategy not as something an organization has, but as something people do (Hambrick, 2004; Jarzabkowski, 2004; Whittington, 2006).

From the Strategy-as-Practice perspective, strategy is conceptualized as a situated, socially accomplished activity (Jarzabkowski, 2005). Authors in the Strategy-as-Practice field also often use the concept of ‘Strategizing’ referring to the ‘doing of strategy’. In other words, it means the construction of a flow of activity through the actions and interactions of multiple actors and the practices that they draw upon (Jarzabkowski, 2007).

In 2003, Whittington highlighted six key questions that should lead the agenda of Strategy-as-Practice research. Our objective is to apply this approach in the field of Knowledge Management, i.e. to address these questions, not on strategy as a whole, but on Knowledge Strategy. We started our research from three of these questions to structure our exploratory study:

(1) Who does the formal work of Strategizing in a knowledge context and how do they get to do it?
(2) How is the work of Knowledge Strategizing organized itself?
(3) How and where is Knowledge Strategizing work actually done?

2.2. Empirical field: consultancy firm as knowledge intensive firm

According to Alvesson (2004), knowledge-intensive firms (KIFs) can be defined as “organizations that offer to the market the use of fairly sophisticated knowledge or knowledge-based products”. Two important criteria added by the author help understand the definition: “The core of activities in these companies is based on the intellectual skills of a very large proportion of the labour force deployed […] in service work” and the use of “symbolic work-using ideas and concepts is crucial”.

When reviewing the literature about consulting firm and their potential knowledge strategy this last ten years, the main articles about the subject focused on knowledge management strategy. Regarding this topic, it is important to note the existence of two main articles from 1999 directly related to consulting firms. The first one, of Miklos Sarvary (1999), emphasizes the importance of the firm’s culture and processes. The other one, of Hansen et al. (1999), describes two possible strategies for knowledge management: codification and personalization. Those analyses have been extended later by Alvesson (2004). About the work of Sarvary, Alvesson (2004) notes the impact it can have on ‘the active sharing and offering of experiences and insights’. He also points out
that the personalization strategy, in the consultancy industry, “is typically used by up-market companies that charge very high fees for the delivering of highly customized solution to unique problems. It relies heavily on socialization—that knowledge can be ‘managed’ by selecting and orchestrating a mix of situations and individuals.” (Alvesson, 2004)

In the studies mentioned here above, there is no clear distinction between knowledge strategy, dedicated to the search of which knowledge and why, and knowledge management strategies, dedicated to the ways to improve knowledge, as recommended by Zack (1999).

2.3. Single in-depth case study

As mentioned we would like to understand how knowledge strategy is being built in knowledge-intensive firms by using the Strategy-as-Practice approach within one firm. As put forward by Sigglekow (2007), “single-case studies can richly describe the existence of a phenomenon”. Theoretical sampling of single cases is straightforward: they are chosen because they are unusually revelatory, extreme exemplars, or opportunities for unusual research access (Yin, 1994, Eisenhardt, 2007). In this case we looked for a best-in-class example of an organization developing a knowledge strategy.

One of the firms at the forefront of Knowledge Strategy is McKinsey and Company. McKinsey started a while ago to develop a dynamic strategy in order to turn knowledge into a competitive advantage. Bartlett (2000) showed how McKinsey implemented over the years a number of tools and processes in order to preserve and take advantage of its outstanding knowledge base. He also illustrated how McKinsey worked on the development of a real knowledge sharing culture among its employees. Besides, they dedicated a large number of people, knowledge professionals, to the specific task of managing and developing the knowledge of the firm. What especially interested us does not lie in these initiatives. It was more the fact that these efforts to develop the firm’s knowledge seemed to be guided by a common and widely agreed-on effort. Therefore we are curious about finding at McKinsey and Company the signs of what Zack (2002) calls a “knowledge strategy”.

According to the case study method principles highlighted by Eisenhardt (1989, 2007) and Yin (1994), we did not start our exploratory study with any preconceived hypothesis to test, but rather with two conceptual guides: the knowledge strategy framework and the Strategy-as-Practice approach.

2.4. Primary and secondary data

In order to carry on this research, we gathered data based on a combination of primary and secondary sources.
We collected primary sources through 14 semi-structured interviews at the McKinsey and Company Knowledge Center in Belgium, between January and September 2010. We used a shared questionnaire to conduct the interviews (see appendix A). However, we felt free to address other questions related to our research objective. We selected the interviewees in order to get respondents from different levels, functions and domains of expertise. We collected the secondary sources by analyzing McKinsey internal documents and external communication during the same period.

3. The organizational structures of McKinsey and Company

McKinsey employs approximately 15,000 staff members, including 6,500 consultants, 1,500 knowledge professionals and 7,000 support staff. They are spread over 94 offices in 52 countries. McKinsey describes itself as a management consulting firm advising leading companies on issues of strategy, organization, technology, and operations (McKinsey, 2010). McKinsey advises clients in all sectors, including administrations, governments and non-profit organizations.

3.1. Internal organization

Internally, McKinsey is organized in a dual structure: both along regional offices and ‘thematic practices’. This structure implies that employees can have a double affiliation: to an office and to one or (exceptionally) two ‘practices’.

- **Offices** are geography-based entities serving clients in a given country or region.
- **Practices** work as cross-office networks grouping people around the globe with interest or expertise in a specific field. Those fields can relate either to an industry (such as Oil & Gas, Pharmaceuticals…) or to a function (Marketing, Organization, Strategy…).

3.2. Decision making

The corporate model of McKinsey is a partnership. The firm belongs thus to a limited number of senior members of the firm (the “partners”). Consequently the management mode is different from the classical top-down “command and control” approach found in many firms, explains an executive. At McKinsey, decision making is present at all levels in the firm: the partners, the offices, the ‘practices’ and the individuals themselves.

At each office level, the management decisions are taken by groups of partners representing the different geographic entities forming the office. Each office is chaired by an office manager -a “primus inter pares”- for a limited duration, following a rotation mechanism. At the highest level of the firm, the Managing Director himself does not have the power of a CEO. He is also a “primus inter pares” among the office managers.
This structure reflects the willingness to preserve the independence of the partners. However, this rake-shaped organization is difficult to maintain with a growing number of offices. For that reason, they add another regional level with the following three organizations, “EMEA” (Europe, Middle-East and Africa), “Americas” and “Asia-Pacific”. Each one has an executive committee that is made up of few office managers from that region. These executive committees report to the Managing Director.

4. Data Analysis

As explained before, our research analysis is structured along the key questions provided by Whittington (2003):

4.1. Who does the formal work of knowledge strategizing and how do they get to do it?

From our data, we observe that the development of the knowledge strategy at McKinsey and Company involves five different actors at different hierarchical levels in the firm. We present them with some details about the identified rationales of their implication in the work of knowledge strategizing:

4.1.1. The consultants

They serve the clients directly, spend most of their time with them and are responsible for delivering recommendations as well as driving their implementation at the clients’ locations. One of their roles is to report any information about new concerns faced by the clients, new market trends, ideas etc. They bring thus a constant flow of information into the firm and, by doing so, fulfill the critical role of nurturing the firm with the knowledge necessary to decide on future organizational moves.

4.1.2. The researchers

They serve as support for the consultants. “Researchers spend their time on both reactive and proactive activities. Reactively, they answer the questions from consultants in order to help them in a client assignment. Proactively, they build their own expertise by reading and collecting information as well as expertise within the firm by sharing their knowledge”, explains a senior researcher. Researchers are usually not in direct contact with clients (for confidentiality reasons), although it can happen occasionally. They are also referred to “Knowledge professionals” or “experts”.

4.1.3. The partners

Partners are senior members of the firm that have the right to buy and own shares of the firm. We distinguish two types of partners: the principals – junior partners without voting right - and the directors – senior partners with the right to vote.
4.1.4. The practice development manager and practice leader

Each ‘practice’ has a **Practice Leader** who is a senior consultant or partner that spends about one day per week on the monitoring and the internal functioning of the ‘practice’. He acts as a ‘sponsor’ for the ‘practice’ within the company. The ‘practice’ also has a **Practice Development Manager**, whose role is to manage the diffusion of knowledge within the network and to monitor the knowledge creation efforts within the ‘practice’.

The biggest ‘practices’ are divided in several service lines, sorts of ‘sub-practices’ addressing a sub-field of the ‘practice’. Each service line has in turn its own service line manager.

4.1.5. The members of the knowledge committee

The Knowledge Committee is one of the four permanent committees at McKinsey. Only directors can be members and they are appointed for a period of three year, renewable once. The purpose is to ensure a rotation of the members. The knowledge committee has a worldwide scope and overlooks all knowledge-related investments, as we will detail further below.

4.2. How is the work of strategizing organized itself?

It appears from our primary and secondary data that the knowledge strategy at the firm level is the result of a process divided into three clearly separated steps. We present here below the successive steps of this process:

4.2.1. Step 1: defining the knowledge gaps

The Knowledge strategy is based upon multiple continuous discussions between the consultants and the people in charge of each ‘practice’. The consultants, who are in continuous contact with the client and know its challenges, communicate to their ‘practice’ the knowledge gaps that have to be filled in order to fit with the clients’ needs.

‘Practices’ have an infrastructure that enables them to inventorize all these gaps in their knowledge domains and to aggregate and identify the most important ones. ‘Practices’ are indeed responsible for developing the most distinctive and recent knowledge in their domain. Each ‘practice’ covers a wide range of topics.

“The importance of some knowledge domains also varies in time: 12 years ago, e-commerce was recognized as a major knowledge domain. It is now integrated within the existent traditional industry ‘sectors’ practices’ where it is used, for example ‘retail’ and ‘banking’. It is now perceived [as piece of knowledge] as a specific marketing and sales channel”. “Today, the knowledge domain ‘Climate Change’ is important. It has been identified as such five or six years ago [by the Knowledge Committee] but as it is transversal to multiple sectors, an initiative - we could call it an “emerging practice” - has
been created. Today I don’t know if it will integrate another practice, become a practice or disappear.” explains a Senior Research Manager.

It is the role of the Practice Development Manager to collect and aggregate the knowledge gaps. Then, they regularly meet together with the Practice Leaders to identify the topics in which knowledge should be gathered in priority. The arguments for developing knowledge in a particular direction may be based on client’s feedback, but also on collective discussions or merely the experience of some senior members of the practice. Many projects are proposed in these meetings but only few get through. “In our ‘practice’ we start about five to ten projects/year and reject many others. This is often a tough decision. But we need to focus our resources” explains a Practice Development Leader.

4.2.2. Step 2: allocating resources to fill the gaps

Once the ‘practice’ agrees on a set of important knowledge gaps to fill, they still need to gather resources in order to address them. The ‘practices’ are networks of people and do not have large dedicated resources at their disposal. The main resources are in the hands of the Knowledge Committee and the local offices.

The resources necessary to fill a gap are identified along two axis: the “per diem” (cost of the people – consultants or knowledge professionals – which are working on the project) and the “out of pocket expenses” (all other expenses linked to the project such as trips, development fees, cost of subcontracting, data, etc.).

The “out of pocket expenses” are covered by budgets that are in the hands of the Knowledge Committee. All ‘practices’ regularly present to this Committee the gaps they wish to fill in order to obtain investment budgets. The Knowledge Committee has therefore a broader view on the gaps of the whole firm and decides on prioritizing some gaps or ‘practices’ through a larger resource allocation.

On this basis, the Knowledge committee gives envelopes to ‘practices’, and within the envelopes, ‘practices’ are able to allow the budgets to investments they consider as priorities. The investment policy is mainly concentrated at the level of the ‘practices’ in order to use the means on the most important gaps and avoid a lack of cohesion in the efforts. As illustrated by a Senior Research Manager, “more than three years ago, a ‘Water Management’ gap/initiative has been identified because the ‘practices’ viewed it as a main issue. It was a prospective decision not based at that time on client’s concerns.”

The second type of resource, the “per diem”, is an opportunity cost represented by the people that will actually work on the project instead of serving a client or another billable project. These opportunity costs are supported by the local offices which decide to
allocate some people to a specific project. It means that the people working on filling a knowledge gap are not paid by a specific budget.

Finally, the personal interests of the people who will work on the project is another important factor taken into account when they decide whether to fill a gap or not. “If we don’t have a person that is really passionate about working on the topic, a project champion, the project will often not be started.” explains a Practice Development Leader.

If all the conditions are gathered, the ‘practices’ start filling the gap by setting up a Knowledge Investment Project (KIP).

4.2.3. Step 3: filling the gaps: Knowledge Investment Projects (KIPs)

Knowledge Investment Projects (KIPs) are the firm’s major vehicle to create knowledge. They are structured as client engagements. It means that there is a team of three to four knowledge experts that work full-time on the project as well as a larger number of experts and consultants contributing through ad-hoc interventions, typically for a few hours. The core team will look at what already exists on the topic. They will interview knowledgeable people within and outside the firm, in order to develop a corporate point of view on that topic. KIPs are sometimes realized in partnership with a client, when the topic is directly linked to the challenge faced by that client.

The KIP will be supervised by a steering committee of senior consultants and experts that will review the progress of the project every two/three months and allow it to continue. KIPs are sometimes stopped before they reach their goal, because either they do not make progress quickly enough, either the question they address has become in the meantime less relevant.

4.3. How and where is strategizing work actually done?

As shown in the previous section, the process of strategy definition does not happen at a single point in time. It is rather spread over a period that can last several months, from the collect of information on knowledge gaps until the setting up of Knowledge Investment Projects. Similarly, there is no single place of decision, but a multitude of places where successive decisions are made.

The answer to the “how and where is the work of strategizing and organizing actually done” is therefore more complex to identify. We will show that this answer is directly linked to the way decisions are made at McKinsey and Company. Due to the particular structure of McKinsey, decision-making is present at different levels in the firm: “If we had to point out a single place where the Knowledge strategy is decided, it would be
Exploratory study of Knowledge Strategy in a Knowledge-Intensive Firm

within the Knowledge Committee. But it does not all start there’’ says a Knowledge Professional.

Actually, it does neither start nor finish with the Knowledge committee. The process rather looks like an up and down movement, beginning with individuals, coming gradually to the top - represented by the Knowledge Committee - and falling back to the individuals for the very last decisions.

The process begins indeed with the collect of information on knowledge gaps by consultants and researchers. These gaps are then aggregated and prioritized at the level of the ‘practices’. Afterwards they present their gaps to the Knowledge Committee where the decisions on budget allocations are made. The budgets are in fact divided between the different ‘practices’. And then begins the fall back: based on the available budget, ‘practices’ make a prioritization of knowledge investment projects. Local offices participate in the decision process by deciding whether to dedicate some human resources to the project. Finally, individuals (researchers and/or consultants) decide themselves whether they want to contribute to a specific knowledge investment project. The decision depends on their interests and their career plan. We see that at the end of the process, the ability to decide comes back to the level where it all started. This also shows that the definition of the knowledge strategy is actually not in the hands of a single person or group but involves four levels of decision. We present in Table 1 the different levels of decision and detail the decisions being made at each level.

Table 1. Four levels of decision involved in the definition of the knowledge strategy

<table>
<thead>
<tr>
<th>Level of decision</th>
<th>People making the decision</th>
<th>Role</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Committee</td>
<td>Senior partners, directors</td>
<td>Overlook the investments for developing and disseminating knowledge within the firm.</td>
<td>Allocate budgets to the ‘practices’ to finance their knowledge investments.</td>
</tr>
<tr>
<td>‘Practices’</td>
<td>Partners heading the practice</td>
<td>Collect, aggregate and identify the most important knowledge gaps in their knowledge domains.</td>
<td>Gives priority among the many knowledge gaps they have aggregated, which gaps they will present to the Knowledge Committee to obtain funding.</td>
</tr>
<tr>
<td>‘Practices’</td>
<td>Present the knowledge gaps to the Knowledge Committee to obtain funding.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>‘Practices’</td>
<td>Manage the knowledge investment projects (KIPs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local offices</td>
<td>Partners heading the office</td>
<td>Dedicate resources to KIPs in the form of local staff temporarily working on the KIPs</td>
<td>Decide to contribute to projects according to their own professional development priorities and interests.</td>
</tr>
<tr>
<td>Individuals</td>
<td>Consultants and researchers</td>
<td>Realize and achieve the KIP</td>
<td>Decide to contribute to projects according to their own professional development priorities and interests.</td>
</tr>
</tbody>
</table>
5. Conclusions

A first conclusion of our study is that the conceptualization of knowledge strategy and knowledge gaps proposed by Zack (2002) does effectively exist in reality. We indeed find many signs of such practices at McKinsey:

The identification of knowledge gaps is an existing practice, largely shared among consultants and researchers. The gap between what the firm knows and what it must know receives a constant attention thanks to the constant flow of information coming from consultants implicated with several types of clients. However, our observation has been limited to the ‘selected’ knowledge gaps resulting from a successful selection process. We haven’t explored the ways through which the identified but not selected gaps are managed: how “some gaps are ‘closed’ for a period and eventually re-opened later” as explained by a Senior Research Manager for ‘Growth’ within the ‘Strategy Practice’.

The alignment of the corporate strategy and knowledge strategy is ensured at McKinsey through the “upward and downward” flow of the knowledge strategy development. The gaps analyzed at the researchers and consultants’ level are indeed gathered, prioritized and presented to the highest level of the company. The Knowledge committee, composed of senior directors and partners of the firm, is then largely implicated with the overall corporate strategy. They validate and decide on which gaps there will be a research. This decision-making at the highest level ensures a consistency between the corporate strategy and the knowledge strategy.

Another originality of our contribution is to analyze Knowledge Strategy by applying a Strategy-as-Practice approach. In order to evaluate the contribution of this paper, we compare our findings to two of the five key questions highlighted by Jarzabkowski et al. (2007). These two questions and our contribution through this paper are:

Who is a Knowledge strategist?

We show in this paper that many types of actors can participate in the development of a strategy. We indeed see a wide range of actors, at different levels in the firm’s organization, involved with the definition of the Knowledge Strategy. Particularly, we highlight the fact that strategizing is not an occupation exclusively in the hands of the boards of director or higher ranked members of the firm.

What do Knowledge strategists do?

We show that each type of actor has a different role, which results from its function in the firm and its voluntary contribution. We also point out that each type of actor has the ability to decide at a certain moment in the knowledge strategy definition process. We show that the process does not happen at a single point in time but is made of successive and recursive steps, which we detail. Finally, we observe that the successive decisions
Exploratory study of Knowledge Strategy in a Knowledge-Intensive Firm

within a process follow an “up and down” movement along the organizational pyramid. This movement begins and ends with the contribution of the researchers and consultants.

6. Limitations and further research directions

A first limitation, yet voluntary, of our research has to deal with our specific field of investigation. For the sake of the illustration, we chose to analyse a best-in-class organization in terms of strategy and knowledge management. Hence, this study must be considered as illustration of “exemplar practices” and not as an example of widespread practices.

A second limitation is that we focus our understanding on the process rather than on the content of the strategy development. We analyse the steps through which a strategy is developed in terms of people and actions rather than looking into the changes in the content of the strategy. A future issue of research could be to monitor more closely the strategy content and especially how it changes throughout the process and under the interventions of the different actors.

A third limitation relates to the fact that our study only addresses explicit knowledge, or knowledge made explicit. This leaves an important part of the firm’s knowledge beyond the borders of our study. Tacit and explicit knowledge are indeed traditionally distinguished (Nonaka et al., 1994), or at least a knowledge characterization on the continuum ‘tacit-explicit’ (Nonaka and von Krogh, 2009). The tacit parts are here not considered as the mechanisms described in this paper require from all managers involved an ‘explicitation’ of their ideas and intuitions, in order for the gaps to be proposed and discussed. Therefore, the knowledge considered is mainly explicit, while tacit knowledge is mostly left out of the process.

We think it would be interesting to understand the role of the tacit part of knowledge in the definition of the knowledge strategy, in the continuum perspective. As pointed by Nonaka and Von Krogh (2009), more longitudinal and empirical research should pursue to clarify this articulation and the link between the social practice and the organizational knowledge creation, which could be one objective of a well-defined knowledge strategy. Potential further research questions deriving from these limitations include the following:

- How is tacit knowledge made explicit in the process of knowledge strategy definition?

- What part of knowledge is being left out of the process of definition because of its difficulty to be explained?

- How does the actor’s tacit knowledge influence them when discussing and making choices about which knowledge should be developed?
Acknowledgments

This article was developed thanks to the kind collaboration of McKinsey and Company, particularly in the Knowledge Center in Belgium.

Appendix A. Interview questions

Preliminary general interview guidelines
1. How is the Belgian Knowledge Centre (and others) organised?
2. Who are the people (background, profile) working at a Knowledge Centre?
3. What are the roles of the experts?
4. How do they manage their roles?

Specific interviews guidelines
1. What’s your role?
2. How do you share your time between the different activities as knowledge identification/acquisition/creation/delivery?
3. Are you involved in identification/selection of knowledge domains/blocks (Knowledge Intensive Projects (KIP), Knowledge Initiatives …)? How?
4. Could you describe this identification? How and where does it take place? With whom?
5. Could you illustrate your ‘practices’ (examples of KIP topics, Knowledge day, Leadership call, ‘Practice Olympics’, Knowledge Initiatives …)?
6. How does the physical presence of ‘practices’ influence knowledge projects? (Examples of projects that have been influenced by informal contacts)

References

Exploratory study of Knowledge Strategy in a Knowledge-Intensive Firm


multinational enterprise’, *Journal of International Business Studies, advance online publication*, December.