Knowledge and Strategic Management: Between the Traditional and Contemporary Strategic Approaches

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Abstract: The purpose of this document is to make sensitive practitioners in the area of business, interest, contemporary strategic approach and the limitations of the traditional strategic approach. This has through a theoretical presentation on the main elements, on which underlying each strategic approach. The perspective of the contemporary strategic approach as Strategy-as-Practice (SaP) postulates that strategy is constructed in practice and nourishes itself through social interactions, any actor of the organization being likely to influence it. In this context, the design of the strategy is carried out through a network of collective intelligence which encourages to have triggered the learning process. On the contrary, the traditional strategic approach considers the strategy as a vision which expresses the intentions of the leaders without any possible influence of the other parties. This makes the learning process a narrow process.

Keywords: Strategy as practice as knowledge (SaPK), Traditional Strategic approach, Contemporary Strategic approach.

1. Introduction

Today, companies operate in the surroundings more and more complex, dynamic and less predictable. This situation requires that managers develop new ways of thinking and acting. Nevertheless, many managers still follow the old approach to positioning and strategic planning. According to [1] traditionally, the practice of the strategy was strictly reserved for the application of strategic and analytical tools and techniques developed by the academic students, such as [2], [3], [4] and industrial consultants such as Boston Consulting Group. However, the dependency on these rational approaches [5], [6] in designing and implementing the strategy , proved insufficient when organizations faced an uncertain business environment [7]. In context, the concept of strategic management was seen as a reserved task at the top level of the organization. This approach is characterized by rigidity in the design of the strategy. This may lead to a failure in the implementation of the strategy, due to the insufficient information when designing and implementing the strategy.

In the era of the knowledge's economy and this of the limitations of the traditional strategic approach, and in order to give a greater flexibility and innovation to the strategy, a new strategic approach in sractice (SaP) was developed in order to find a solution to the above criticisms [8]. This approach uses the same notion of strategy as the traditional approach, but with a more procedural approach compared to the traditional approach. Organizations must, in order to project towards the SaP's approach, integrate the strategic practices into their daily practice, this through a strategic learning process that lies within the process of developing the strategy [9]. According to [10], this makes it possible to constantly update their strategic knowledge related to the strategy development process.

At this stage of development [11] developed a model to explain how learning occurs around the development of strategy. According to [10] said that strategic learning takes place as part of the emerging strategy, likewise [12] have stated that strategy is something people do through routines, processes and daily activities, these procedural actions generate new strategic knowledge in order to be exploited in the decisional process.

Despite the breadth and depth of the works done in the area of strategic management over the past 40 years, we try to summarize this situation, basing ourselves on the basic foundations of each strategic approach. For this reason, we have developed the following research questions to explore our concerns.

- a- Are managers aware of the limitations of the traditional strategic approach in relation to the strategic approach in practice (SaP)?
- b- Do managers know the basic underpinnings of the traditional strategic approach to the strategic approach in practice (SaP)?
- c- Do managers know how to operate and flow in the organization that practices the traditional strategic approach to the strategic approach in practice (SaP)?

2. Theoretical Framework

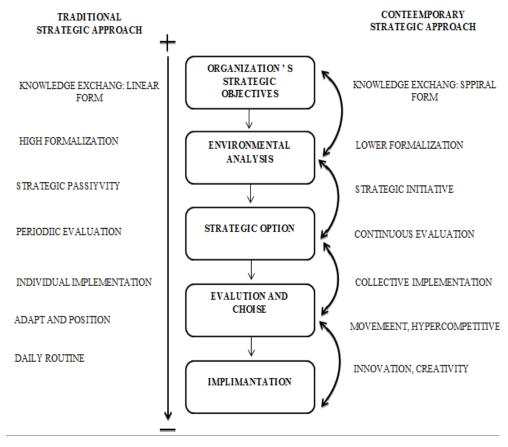


Fig. 1: Framework of the study

3. Traditional Strategic Management as Knowledge

The strategic management is one of the main available tools to the heads of companies to execute their strategic ideas. The design and implementation of strategy in the era of the traditional strategic approach has gone through two key stages. First, organizations that operate in a less turbulent environment must adapt and position themselves in industry. In such situation, the first entrant remains always a leader in his sector.

Competitors do not have the opportunity to exceed it in their sector. The second stage or degree of turbulence increases dramatically. The organizations should never stand still or allow employee's mindsets to freeze; this has been associated with continuous learning and adaptability agility at all levels of the organization. Faced with this situation, three major schools of thought in strategic planning [13] have emerged. The Porter School declares that the key to success is to understands what stimulates markets and choose the market position

accordingly; the Hamel and Prahalad schools are at the opposite end of the spectrum of planning, believing that an organization must understand its own strengths and rely on these internal capacities to succeed; and the Mintzberg School sees success based on understanding the underlying causes of market dynamics and relevant flexibility. All the mentioned schools with their ideas were implemented within the framework of the classic strategic approach presented in the following figure:

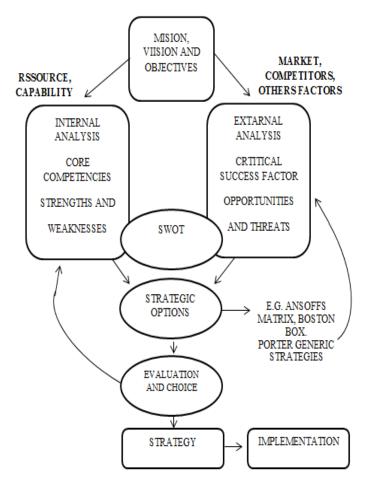


Fig. 2: Basic structure of the traditional strategy process

Surrounded by this approach (see Figure 2), the organization's strategy has been defined as a means to obtain competitive advantages and a favorable market position. This takes place in a stable or predictable environment by exploiting skills and resources. In this context, the strategy is shaped in a unidirectional way. The members of senior management are the only authority that can make strategic decisions. In this context, the strategies are based on a clearly vision , and defined mission and objectives. The heads of companies and its executive committee share problems and solutions among themselves, without integrating other parties into the decision-making process. At the same time, the relationship between the organization and its environment also takes the hierarchical form , this makes the space of interaction between the organization and its environment a very small space in their originality.

In the same context, the implementation of the strategy is a mission entrusted to the operational levels of the organization. It is they who implement the organization's policy, through budgets, procedures and regulations that execute the strategic perception of senior management. This gives a sort of unilateralism in the implementation of the strategic orientations of the organization. The choice of the strategy is made through the principle of priorities, which will be evaluated on the basis of a set of internal criteria such as the potential and resources of the organization and external as the potential competitors. This is done periodically or each

structure evaluates its capabilities separately. In such approach, the management of strategic knowledge take a linear sense, in hierarchical form, or each unit at its borders and boundaries. Among the characteristics of the traditional strategic approach in the knowledge age, the commitment of individuals to conform to their functions only without any form of initiative, in this context, the transfer of knowledge is done through instructions and orders. This encourages individuals to specialize and create knowledge rooted in their daily practices and routines. Despite its advantages, the designed strategy does not reflect the interests of all the structures of the organization. This can lead to a conflict of interest between the various employees of the organization.

At present, and in the face of competitive dynamics, the notion of strategy as a learning resource has become a necessity. In such situation, the organizations that learn to change and anticipate threats and opportunities have the ability to overcome difficult times. Facilitating learning and exploiting dynamic situations has been stimulated in recent years by concepts such as "The Learning Organization" [14]; "The Knowledge Creating Company" [15]; and by De Geus's notions of planning as learning [16]. De Geus has strongly supported his contention that the ability to learn faster than your competitors is the only way to achieve a sustainable competitive advantage. This leads to a continuous renewal of the strategy, supported by a learning system that includes knowledge management, leadership, innovation and entrepreneurship as the underpinnings of the contemporary strategic approach.

4. Conteemporary Strategic Management as Knowledge

Today, in front of complex and dynamic hyper-competitive environments [17], the organizations must engage in a continuous environmental analysis process. This is to diagnose external factors that affect organizations [18]. And thus have a unique and valuable position in the industry [19]. This requires the involvement of different parts of the organization, internally or externally, with the aim of introducing innovative ideas into strategy. In this context, the managerial approach has evolved in terms of the involvement of stakeholders who are directly linked to the design and implementation of the organization's strategy. The SaP approach is one of the modern strategic approach, this approach defines the strategy "as a social activity, the strategy process is often called a strategy that involves actions, interactions and negotiations of multiple actors that rely on institutionalized practices to inform their practice" [20].

TABLE I: Five Views of Practice in Strategy-as-Practice Research

	Practice as management action	Practice as set of tools	Practice as Knowledge	Practice as organizational resources	Practice as global Discourse
Main research question	How do managers and others strategize?	How do managers and others use the tools of strategy?	How do managers and others perform strategy?	How do organizational practices shape strategic competitive advantage?	How does strategy Discourse produce managers and organizations?
Main theoretical influences	Management and organization theories	Communication and language theories	Social sciences theories	Management and organization theories	Critical theories
Seminal authors	Mintzberg, 1973	Barry & Elmes, 1997	Hendry, 2000	Mintzberg & Waters, 1985	Knights& Morgan, 1991
Unit of analysis	Managerial activities	Strategic plans, tools and meetings	Routines, conversations and interactions	Organizational routines, capabilities and processes	Extra- organizational discourses

Source [22]

This is confirmed by [21], the strategy concept developed in the era of the SaP approach describes the strategy "as a social activity: strategy is not only an attribute of organization but also an activity undertaken by people". This is accomplished by making the strategy using a set of plans, technologies, developed programs and resources that contribute to the competitiveness of the organization. "Making the strategy allows to detect the distinctive capacities of the organization and if its capacities can be consistent with the overall strategy of the organization. There are several views which treat the SaP approach.

Our study is based on the strategic approach in practice as knowledge (SaPK), according to [23] the exploitation of knowledge becomes more efficient through the management of organizational knowledge. The emphasis is therefore not on knowledge in itself, but rather on the management of the company from a cognitive point of view [24]. In this context, the organizations use the knowledge management process during the strategic management process [25]. According to the study done by Smith Zack [26], SaP as knowledge is based on such things as knowledge becoming more and more important as a strategic resource for the company, apprenticeship becomes the most effective way in front of organizations. Within each phase of the strategy design will emerge a spiral of strategic knowledge management that focuses on knowledge and expected goals that must be visible to all stakeholders in the organization. The more practitioners practice the SaP approach as knowledge in strategy design, add the content of the strategy tends to reduce the degree of formalization [26] or each individual can contribute to enriching the content of the overall strategy, this will give more fluidity in the process of the strategy designing. In this context, [26] stated that the strategic process generates different types of knowledge; All of this knowledge does not have the same impact on strategic decision-making. For this reason, the essential knowledge is the strategic knowledge presented below.

- Unique resources: the strategic resources have a distinct character in terms of availability; either cannot be found by other companies, or few companies they own. Among the strategic resources that represent a source of advantage for the organization, we will find the skills and know-how of individuals. The knowledge more it is strategic more is rare,
- **Pragmatic:** the strategic approach is a process linked to the internal or external environment. This makes the strategic process realistic in their originality. This process relates directly to strategic knowledge from the environment.
- Creation of value: Knowledge is exploited through a combination of the three elements of the SaP approach as knowledge; practices, praxis and practitioners (see below).
- Difficult to replicate and / or replace with other knowledge: the organization that follows the SaP approach as knowledge, its resources integrate as an essential ingredient in their strategic components (decision, action, mission, vision, etc.). Strategy as an exogenous variable linked to knowledge as an endogenous variable. This will complicate the task against direct competitors in order to mimic the key success factors of the designed strategy.
- **Dynamic**: Strategic knowledge is characterized by the flexibility and the dynamism due to changes in the environment. This will give us the opportunity to adjust the permanently designed strategy, based on the data coming from the environment.
- **Based on an intense learning process**: knowledge has become a product that supply the strategy of organizations through an intense learning process, based on active apprenticeship, where each individual can contribute to the design of the strategy, using active methods such as debate, the discussion is a group work. This will give a detailed overview to the leaders of the organizations and will therefore know all the specificities related to the implementation of the strategy.

The SaP approach as knowledge has emerged to solve the problem of duplication of work, where each individual knows his tasks and his strategic obligations [26]. This is achieved through the knowledge management process, which has been defined by [27] "as a practice to discover and exploit the intellectual resources held by individuals." This knowledge management process helps organizations to minimize the rate of

loss of knowledge and exploit it in the design of the strategy. According to [25], there are several mechanisms for integrating the thinking of strategy as knowledge:

- 1: Making the Knowledge, the product of the organization by redefining existing products and services on the basis of knowledge.
- 2: Implement a business strategy with an integrated program of knowledge management, or knowledge is the main resource for the organization.

In this context, the SaP approach as knowledge, given the strategy as a source of learning, this source must be created, acquired, stored and shared internally and externally. This strategy of the development process requires practices (tools, norms, traditions, concepts, shared routines, procedures to guide reflection), praxis (activities involved in strategy) and practitioners (people involved in the strategy) to assist this process of developing the strategy [28].

The SaP approach as knowledge differs in its design and implementation from the traditional strategic process. This strategic process was defined by [29] as a set of interrelated and integrated activities or tasks. According to [30], implementation of the process should not be undertaken in a linear fashion, it helps to conceptually explain the process in a logical order. For this reason, the strategic process consists of four key steps or activities as outlined in the following figure:

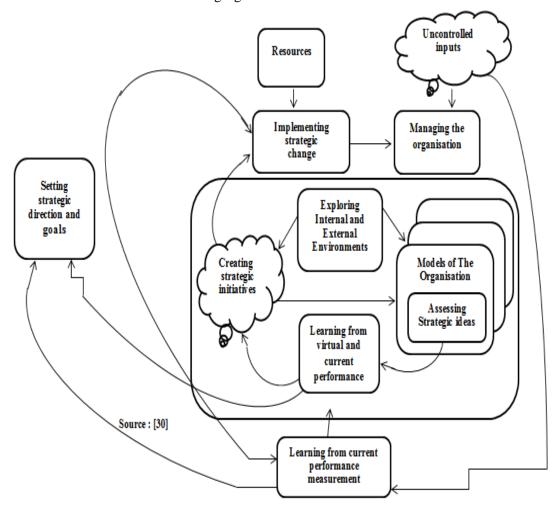


Fig. 3: Basic structure of the contemporary strategy process

The first step in designing a strategy in practice as knowledge is primarily based on developing a strategic vision that requires support for decision-making, and which encourages debate, deliberation and guidance. In this context, the strategic vision becomes a place of apprenticeship that determines the future conduct of the organization. According to [31], the process of strategic of decision-making in terms of the implementation of strategic orientations opens up multiple and varied opportunities through virtual apprenticeship spaces.

These spaces allow to explore the evolution of the internal and external environment and thus feed the strategic system of the organizations with innovative strategic ideas and knowledge. Moreover, the established performance factors also represent a source of relevant information for organizations and therefore a place for apprenticeship and sharing knowledge among the various practitioners involved in the strategic process..

All these initiatives will be evaluated through a system of strategic evaluations linked to the virtual performance system. This mechanism will create a spiral of continuous apprenticeship and therefore a continuous change in the system of design and implementation of the strategy.

In this context, the boundaries between disappear practitioners, and this encourages the engagement of the organization's stakeholders in the design and implementation of the strategy. This type of management of organizations is almost similar to the mode of self-management that is characterized by the open-mindedness of these leaders and their staff. Among the characteristics of a space of initiative, its composition is formed as soon as the cognitive conflict between the practitioners becomes clearer. Nevertheless, flexibility and adherence to this initiative space becomes a necessity, in order to explore the various strategic ideas that encompass the organization's overall strategy.

The SaP approach as knowledge allows to realize three results which are presented below:

- A boundary-spanning vision or strategic intent: The traditional strategic planning model is based initially on the adjustment between internal resources and capacities and external opportunities and threats. This option can lead to excessive use of existing resources and thus the current opportunities. For this reason, intent strategic appears to help managers focus on creating new capabilities to exploit future opportunities. This is accomplished through the creation of an initiative space that allows extending the field of vision generation within and between organizations.
- Realization of important benefits to "strategic" stakeholders: The creation of an inter-organizational initiative circuit increases the organization's capacities in terms of relations with their stakeholders, through common spaces where the organization shares with its stakeholders the same expectations. In this context, stakeholders are actors involved in the process of designing and implementing the strategy. We will find a customer involved in the value chain of the organization. At most, organizations can play the role of a customer with a downstream strategy and the other as a provider with an upstream strategy, which facilitates apprenticeship and sharing of experiences between organizations and stakeholders.
- Transformation & Alignment of the organization: In the SaP approach as knowledge the design and implementation of the strategy requires a continuous alignment between the strategy and its factors, namely the organizational, technical, cultural and human factor. In this respect, the configuration of the strategy is linked to an organizational knowledge management system where each factor is represented by its elements, we cite the organizational factor with its internal elements such as the degree of centralization and decentralization, formalization; the human factor and its elements such as the competence expected and the competence available, the know-how required. In this context, a continuous redefinition of its elements with the reconstitution of spaces initiatives becomes a major necessity.

The implementation of strategic choices differs in its design from the traditional approach, which is initially based on the decision that comes from the top of the hierarchy, away from any type of collaboration between different levels of the organization. On the contrary, three tactics of implementation were used, these tactics were called intervention, persuasion and participation: [32]

- Implementation by intervention: the intervention tactics are recommended when a practitioner decides to make strategic changes at the organizational level. The practitioner creates the need for change in the group's mind (leaders, peers) [32]. This is done by showing a comparison between the current system and a reform system with an expected performance gap higher than the previous one. Before using these steps, it is essential that a manager be informed about opportunities, threats, anger, and group trust. This is to facilitate the implementation of a new strategic plan or to strengthen existing strategic plans [32].
- Persuasion: In an atmosphere of initiative, sharing and collaboration, the implementation of the strategy must be standardized in order to avoid any kind of conflict between the different areas of the strategy's manufacturing. Despite its efforts to standardize the implementation process, the implementation of process encounters problems requiring persuasion on the part of the leaders, these persuasions must be integrated with the strategic orientations of the organization. This is to convince practitioners and stakeholders of the interest and contribution of its changes to the organization.
- Participation: Participatory implementation requires changes that stimulate future needs and opportunities. For example, the appearance of an epidemic implies the integration of new practitioners into the decision-making process. In this context, the intention of practitioner's participation tends to eliminate cognitive conflicts between practitioners. This approach works in the strategy as a social project, where teamwork is highly recommended in such a situation.

5. Synthesis of the Study:

This study highlighted the interest of integrating the foundations of the SaP approach as knowledge in the practices of the organization, and see the limits of the traditional approach in a complex and dynamic environment. In this context, the SaP version organizations have a strong ability to anticipate changes in the environment. This is due to the initiative mind of the organizational actors who are supposed to integrate their knowledge into the strategic system of the organization. This facilitates the creation of a learning space that encourages all parties to learn from each other. In this context, the contemporary approach does not see the strategy as an element linked to the perceptions of senior management but as an element that brings together all levels of the organization in order to achieve common objectives. In this context, the design and implementation of the strategy has been defined as a place of apprenticeship, or practices such as collaborative working tools, ISO 9001 standards that require certified bodies to keep their knowledge up to date are considered necessary for the implementation of the strategy. At the same time the knowledge management activities such as brainstorming to invent innovative ideas and solutions; teamwork to share long-term intentions and action plans to store strategic knowledge, represent praxis that must be exploited for strategic purposes. Lastly, practitioners such as legal entities or natural persons, co-producers of strategic knowledge are all involved in the design and implementation of the strategy. Ccontrary, the traditional strategic approach is limited by its tools, plans and actions at the higher levels of the organization. The traditional approach sees the strategy as an element related to the perceptions of senior management. Organizations are struggling to understand its internal and external environment. In this context, the apprenticeship spaces that surround the strategic process function hierarchically, each manager is responsible for directing only the individuals who are subordinate to him. In this respect, and since the decision-making power is unique, the principal consequence of which is the lack of initiative and the sharing of responsibilities, is thus difficult to carry out efficiently within the same organization.

6. Conclusions and Perspective

The purpose of this research (article) is to explore the value of moving from a traditional strategic approach to a contemporary strategic approach. In the era of the SaP approach as to know the organization must change its thinking from one-sided strategic thinking to a collective strategic thinking based on the attention of the views of other concerned parties. In this context, the concept of the strategy has been linked to the concept of learning, each phase in the design and implementation of the strategy represents a place of sharing and collaboration. The SaP approach as knowledge is flexible and progressive, in the sense that it can be applied differently and follow

different paths depending on the concern of the groups that are interested in it. It may apply from the outset to an extended working group; It can be applied at the level of a small group of technicians of the organization, within an association that deals with the relationship between two units of the organization or by involving other actors in the territory. This diversity in terms of the use of the SaP approach makes it easier to take stock of each other in their past activities and better prepare for the future.

On the other hand, and in a dynamic environment, the traditional strategic approach has its limits in terms of reflection. In this context, the strategy is considered to be the exclusive attributions of the managers. The lower levels such as teams, departments, services, and organizational context are generally absent from reflection; at best, considered as potentially thwarting the ideal deployment of the strategic plan. In a one-sided environment, it is difficult for organizations to create a space for apprenticeship and sharing knowledge. For this reason, organizations must involve the lower-level co-producing stakeholders of the strategy in its implementation and its possible success. In the perspective of our study and in order to assimilate the basic underpinnings of the SaP approach as knowledge, an experimental study will be conducted with doctors who perform their duties in the emergency department of Djillali Bounaâma Hospital in Douera, Algeria.

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