

## MIRROR UP TO KM PARADOXES AND STRATEGY PARADOXES: AN EXPLORATORY ACCOUNT

(Extending and refining the theory based framework of Schultze and Stabell: Discourses,  
contradictions in KM research)

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## ABSTRACT

### Objectives

1. To explore, extend and refine the theory based framework of Schultze and Stabell discourses, and contradictions in KM research.
2. To discuss double edged nature of knowledge by highlighting different assumptions about knowledge and its management.
3. To discuss strategy paradoxes as additional contradictions in the domain of KM research
4. To elaborate further specifically dialogic discourse and constructivist discourse.

### Methodology

Using the examples of Pakistani organization and International cases for exploring paradoxes in the land of KM and strategic management, the relevant literature has been explored from strategic management and knowledge management. For Pakistani organizations insights are taken from Brand Elections 2010 and for multinational organizations, the examples of short cases are taken from the book *Strategy: Process, Content, Context – An international perspective*. The 3D view of strategy (strategy process, strategy content, strategy context) along with the exploration of different paradoxes lying in 3D view of strategy (strategy process, strategy content, strategy context) with reference to KM has been presented. Suggestions have been made to extend and further refine the theory based model of Schultze and Stabell as the direction for future research.

**Keywords:** KM paradoxes, strategy paradoxes, Knowledge Management, Strategic Management, 3D view of strategy, Pakistani organizations, International cases

## INTRODUCTION

Schultze and Stabell start with different scholarly quotes of Socrates, Albert Einstein, and Thomas Gray which beautifully reflect the contradictory nature of knowledge. This contradiction germinates from the recommendation of knowledge management researchers, in their effort to manage the tacit knowledge, into the explicit knowledge (Nonaka and Takeuchi, 1995). It is quite obvious that in managing the tacit knowledge into explicit, it can be copied and therefore loses its competitive advantage potential (Barney, 1991; Kogut and Zander, 1992).

The paper develops an analytical framework explaining the contradictory nature of KM and goes on underscoring various assumptions about it, by using the Burrell and Morgan four paradigms. This framework provides clear distinction between four discourses which are neo-functional, constructivist, critical, and dialogic. The authors give a detailed and comprehensive view of four discourses using contradiction of managing tacit knowledge as an analytical device. Notions of knowledge and meanings of its managing give different shades under the microscope of four discourses. The paper highlighting the insights also focuses upon the need of incorporating these four discourses in modern KM research and suggests the avenues for future research.

Schultze and Stabell *et al.* (2004) develop significance of the problem through the analysis of their major thesis that concepts / notions of knowledge and its management significantly vary across the four discourses. They argue that contradictions do not lie in tacit knowledge but with the theoretical microscope that is being used by the researcher. Assumptions are the reflectors of the contradictions of managing the tacit Knowledge. Discourses also provide in-depth rich insights about the contradictory and multifaceted nature of knowledge as well as KM.

Schultze and Stabell *et al.* (2004), starting with Burrell and Morgan's framework, go on to amend this framework with Deetz's Criticism level against it. Deetz attempts to distinguish different sources of research ideas and claims that local research is atheoretical. For Schultze, Deetz's distinction between the sources of research ideas was not useful. Moreover they do not agree with Deetz's viewpoint that local / emergent research is atheoretical. Given these concerns, they developed their own theoretical framework having two dimensions,

epistemology and social order. Epistemological dimension covers dualism versus duality and social order dimension encompasses consensus vs. dissensus. Putting together the two dimensions, they developed their own analytical framework.

Insights gained from the neo-functionalist discourse in KM research

- Framing of phenomena: Dualism
- Assumption: There is a natural tendency to social order and equilibrium
- Social fear is breakdown of social world. Social world would be unreasonable, unpredictable, and unmanageable
- Knowledge can be seen in its role of progress in terms of enlightenment at individual, organizational, and social level
- Increasing rationalization, effective management, and strict control.
- Metaphor of knowledge: Knowledge is viewed as an asset.
- Knowledge and knower are separate entities.
- There are binaries of knowledge (Henderson and Clark, 1990; Kogut and Zander, 1992; Nonaka, 1994).

Insights gained from the constructivist discourse in KM research

- Framing of phenomena: Duality
- Assumption: Society is coherent and remains unaffected by all kinds of structural tensions and fundamental conflicts.
- Organizational phenomena construct each other, as the organizations are systems of distributed cognitions (Boland et al, 1994; Weick and Roberts, 1993) where lies the challenge of coordination of actions and development of individuals' personal identities and autonomy.
- Metaphor of knowledge: Mind which means mindful actions taken by human.
- Knowledge and knower are inseparable companions.
- Knowledge is both input and output of situated action (Weick and Roberts, 1993).
- Knowledge and action are inseparable companions.

### Insights gained from the critical discourse in KM research

- Framing of phenomena: Dualism
- Assumption: Society is seen as distributed in different stratum which are made up of hostile groups which are powerful and powerless
- Metaphor of knowledge: Knowledge viewed as an asset.
- Knowledge becomes an instrument of domination on the part of powerful and tool of liberation in the hand of powerless.
- Role of knowledge is to create awareness about social injustice and domination
- Knowledge in the hands of underclass leads to revolution and reformative social process
- Knowledge about the labor process is a coveted price and there is a strict division of labor between employees and management.

### Insights gained from the dialogic discourse in KM research

- Framing of phenomena: Duality
- Assumption: All practices of discipline are being shaped by knowledge and finally knowledge shape them (Townley, 1993).
- Metaphor of knowledge: Knowledge is discipline
- Knowledge viewed as discipline in the form of a branch of knowledge as well as the system of controlling things and making them correct
- Knowledge and power are hand-in-gloves with each other and they lead to the concept of power-knowledge. According to Foucauldian perspective, it is necessary to understand the things first, before going to control them.
- Normalization and totalization
- There is a dialectic relationship in both the positive and negative side of knowledge as well as the creative and constraining dimension of knowledge (Miller and O'Leary, 1987).
- Creation and management of knowledge is a continuous cycle of self-discipline. In this cycle, there are acts of continuous refusal and actions of selective forgetting (Covaleski, 1998; Bowker, 1997).

- Discourse recognize the positive aspect of power-knowledge which is the desire to acquire knowledge with inquisitiveness for constructing and discovering new horizons of knowledge

Insights gained from the analysis of the managing tacit knowledge contradiction

1. Trying to manage the tacit knowledge in neo-functionalist discourse is an unavoidable contradiction.
2. In the constructivist discourse, there is no contradiction in managing the tacit dimension of knowledge.
3. The critical discourse, there lies a contradiction in managing the tacit dimension of knowledge.
4. In the dialogic discourse, there is no contradiction in managing the tacit dimension of knowledge.
5. Contradictions are always there in those discourses which are enmeshed by dualism, i.e. the neo-functionalist and the critical, and there is no place for the contradictions in the discourses characterized by the duality – constructivist and dialogic.

Ways of exploring paradoxical nature of knowledge

Fundamental concepts of knowledge management are being challenged now-a-days. There are two groups who challenge. The first one view knowledge as a thing, and the other one view knowledge as a flow. According to Stacy (2001), knowledge is not a thing or a system, but an ephemeral, active process of relating. It cannot be stored and cannot be measured, and resultantly no one can manage it. In view of Snowden (2000), most of organizations attempt to discover the tacit and explicit knowledge and in this way, they focus on the container rather the thing contained. He seems to elaborate that Walnut seed is different from its shell.

One can take in the views of Stacy and Nonaka if one view knowledge as both as a thing and a flow. Now the question arises for the success of knowledge management projects one need different management approaches due to its paradoxical nature. There are different thoughts in this regard, e.g. in the study of Earl (2001), knowledge can be managed with three strategic approaches to KM namely economic, behavioral, and technocratic. The study of Truch &

Bridger (2002) emphasizes upon the fit between strategy of organization and KM dimension, which according to them is a real strategic fit. KM strategy should cover business environment, knowledge resources, and business strategy. Moreover, KM strategy should be clearly defined on grounds of business environment, knowledge resources, and business strategy. Holsapple and Joshi (2003) try to integrate the knowledge management approaches and present architecture for knowledge management. According to Hansen et al (1999) for company there should be choice between codification and personalization strategy. Codification refers to coding knowledge into databases which can further be reused. This codification strategy gives us the objective view of knowledge and saves organizational knowledge for employees.

Nonaka and Takuchi (1995) in their theory of organizational knowledge creation view knowledge as something basically human, and it is created and distributed. Quoting Kant, Stacy (2001) refers to phenomena and noumena which is irresolvable paradox and it is the beauty of knowledge management. Knowledge can be objective and subjective both simultaneously. Snowden (2002) sees knowledge as something paradoxical. According to him, knowledge should be view as both a thing and flow of actions. These two way of viewing need different management approaches.

Aidemark (2009) explains the contradictory nature of knowledge succinctly in terms of pros and cons, as well as different aspects of the know-how-based approach. Hansen et al (1999) gives different aspects of KM when he view organizations in terms of contracts versus identities, nature of knowledge resources in terms of codification versus tacit, management of know-how in terms of direct or indirect, and management of knowledge workers in terms of loyalty or rules.

#### OPENING UP NEW HORIZONS IN KNOWLEDGE MANAGEMENT WITH STRATEGY PARADOXES

Poole & Van de Ven (1989), Quinn and Cameron (1988), Collines & Porras (1994), and Quinn (1988) have define the paradox can be defined as both – and – problem, which means if one factor is true, then the contradictory factor is simultaneously true. Strategy tensions can also be viewed as paradoxes. If this approach is taken, the conflict between opposites is accepted but

the strategist will strive to accommodate both factors at the same time. The strategist will search for new ways of reconciling the opposites as best as possible. For example, the strategist faced with the tension between competition and cooperation will attempt to do both as much as possible at the same time, reaping the benefits of both. This line of thinking suggests ways for the knowledge management strategists to successfully deal with the contradictions prevailing in the respective discourses discussed earlier.

Knowledge management cannot be effectively fruitful, managed, and controlled without knowing it. For supporting the argument the Foucauldian perspective can also be quoted here which says that knowledge and power are inseparable companions, so it is necessary to understand the things first, before going to control them. So this section will discuss the strategy paradoxes with strategy perspectives, with reference to knowledge management referring the examples of both Multinational and Pakistani organizations.

For discussing and highlighting the Pakistani context, the results of Brand Election 2010 have been incorporated for the deeper understanding of Pakistani organizations presented as examples of different propositions along with the International cases. The Brand Elections are made on the basis of Consumer Multimedia Index (CMI) which is the most authentic research database (Reporter, 2010, July 03; Abbas, 2011). This is the largest single-source data in Pakistan representing 10,000 samples across 50 cities covering all SECs of Urban Pakistan. For Pakistani organizations insights are taken from Brand Elections 2010 (Reporter, 2010, July 03; Abbas, 2011) and for multinational organizations, the examples of short cases are taken from the book *Strategy: Process, Content, Context – An international perspective* by Bob de Wit (2010). In short, now the next section will discuss the 3D view of strategy (strategy process, strategy content, strategy context) along with the exploration of different paradoxes lying in 3D view of strategy (strategy process, strategy content, strategy context) with reference to KM.

Strategic thinking and knowledge management – The paradox of logic and creativity

Regarding strategic thinking, Andrews (1987) illuminated the concept of corporate strategy with the focus of outside-in perspective. Ohmae (1982) explained the generative reasoning perspective and Liedtka (1996) viewed strategy as design as well as strategy as art, while

Mintzberg et al. (2001) elaborated different styles of strategizing. By comparing the two opposite ways of dealing with the paradoxes of logic and creativity, a better understanding will be gained from the rational reasoning perspective and generative reasoning perspective as described by Bobdewit (2010) as follows: in the rational reasoning perspective the complete focus is given to logic and not to creativity. Cognition works in analytical way and not intuitively. Reasoning revolves around certain fixed rules and doesn't follow informal rules. One can infer that reasoning in rational perspective becomes computational and deductive and there is too much emphasis given to consistency and rigor. Mostly decisions are based on calculation and there is less use of judgment. Strategy is considered as science and not as an art in rational reasoning perspective.

Referring to the results of the Brand Elections 2010 Pakistan (Reporter, 2010, July 03; Abbas, 2011), insights will be incorporated for the firms in Pakistani context in the form of propositions along with the examples of International case studies for the clarity of the concepts.

Proposition 1: when the firm makes greater use of logic in strategic thinking, its focus will be rational thinking. In Pakistan in Durable markets the case of super asia (washing machine) is the good example. And the case of "Mercedes-Benz and Swatch: A Smart Move?" from International market represent an excellent example as a way of illustration.

Proposition 2: when the firm makes greater use of creativity in strategic thinking its focus will be generative thinking. In Pakistan household care market provide the case of Rose Petal (Tissue Papers) as an exemplary example. And the case of "Mercedes-Benz and Swatch: A Smart Move?" from International market represent an excellent example as a way of illustration.

Strategy formation and knowledge management – The paradox of deliberateness and emergentness

Regarding strategy making, Chakrvarthy (1991) elaborated the strategic planning perspective, and Quinn (1978) focused on logical instrumentalism. Allison (1969) focused upon different

decision models, while Wilson (2000) elaborated from scenario thinking to strategic action in the idea of scenario development.

By comparing the two opposite ways of dealing with the paradoxes of deliberateness and emergentness, a better understanding will be gained from the strategic planning perspective and strategic instrumentalism perspective described in the manner of Bobdewit (2010) in the following way:

In strategic planning perspective there is too much emphasis on deliberateness and not emergence. All strategies are designed intentionally. Figuring out becomes the second nature of strategy formation and future developments are viewed from the microscope of forecasting and anticipation. Most of the time decisions are made in hierarchical terms and strategic changes are implemented from top to down.

Proposition 3: When the firm makes greater use of deliberateness in strategy making, its focus will be on planning. In Pakistan from Household care market the case of Harpic (Surface Cleaner) is the good example.

Proposition 4: When the firm makes greater use emergentness in strategy making, its focus will be on incrementalism. In Pakistan from Food Drinks Market the case of Tapal Danedar Tea is an excellent example. One can also refer to the case study of “Ceteco: A Durable Conquistador?” for rich insights from the International perspective.

Strategic change and knowledge management – The paradox of revolution and evolution

Regarding strategic change, one becomes acquainted with the discontinuous renewal perspective of Hammer (1990) and the continuous renewal perspective of Imai (1990) in the discussion of “Kaizen”. The ideas given by Tushman (1986) about convergence and upheaval in managing the abrupt pace of organizational evolution, and Krueger’s (1996) way of implementation as a core task of change management provide deeper understanding of the paradox of evolution and revolution which can be very helpful in knowledge management strategy.

By comparing the two opposite ways of dealing with the paradoxes of evolution and revolution, a better understanding will be gained from the discontinuous renewal perspective and continuous renewal perspective as described by Bobdewit (2010) in the following fashion:

In discontinuous renewal perspective there is too much emphasis placed on revolution in stead of evolution. Strategic change is regarded as disruptive innovation and not as smooth , uninterrupted improvement. Change is just regarded in terms of abruption and radical terms and not as moderate and gradual. Reactions to environmental jolts are considered as shock therapy and can never be considered as continuous adjustment.

Proposition 5: when the firm makes greater use of revolution in strategic change making, its focus will be on discontinuous change. In Pakistan from durable market the case of Samsung (Microwave Oven)and from personal care market the case of Pampers (Diaper),clean and clear (facial wash cleanser) and fair and lovely ( skin care cream lotion) are good examples.

Proposition 6: when the firm makes greater use of evolution in strategic change making, its focus will be on continuous change. In Pakistan from financial market the case of Habib Bank Limited Debit Card and Bank Alfalah Credit card as well as from Food Impulsive market the case of Walls Ice cream are good examples as a way of illustrations. The case of “Morgan Motor Company: (W)Reckless Driving” also provides a deep insight of the perspective of evolution and revolution with an International viewpoint.

Business level strategy and knowledge management – The paradox of market and resources

Regarding strategy content Porter (1980) elaborated competitive strategy with the focus on outside-in perspective, while Eisenstat, Miller, & Foote (2002) explored inside-out perspective along with the study of Day (1994) “The capabilities of market-driven organizations” and Barney’s (1991) idea of RBV of the organization provide strong argument in business level strategy.

By comparing the two opposite ways of dealing with the paradoxes of market and resources, a better understanding will be gained from the outside-in perspective and inside-out perspective as described by Bobdewit (2010) in the following way:

In outside-in Perspective markets become the focus of attention on the part of strategists and not resources. Their orientation is just market/industrial driven and not resource driven. Their starting point is market/industry structure and not firm resource infrastructure. Their strategic focus is attaining advantageous position and not attaining distinctive resources. Their tactical moves revolve around attaining necessary resources and not through industry entry and positioning. Their competitive weapons are bargaining power and mobility barriers and are not superior resources & imitation barriers.

Proposition 7: when the firm makes greater use of markets at business level strategy, its focus will be on outside-in. In Pakistan from the Food-Impulsive Market, the case of KFC (Fast Food Restaurant) and from Communication Market, the case of Ufone (Mobile Service Provider) can be the good examples as a way of illustration.

Proposition 8: when the firm makes greater use of resources at business level strategy, its focus will be on inside-out orientation. In Pakistan from Food-Impulsive Market, the case of Gold Leaf (Cigarette) can be the good example as a way of illustration.

To understand the paradox of market and resources and the perspectives of outside-in and inside-out in International perspective, the case of “To Avon: Keeping those doorbells ringing?” can be referred to provide rich insights.

Corporate level strategy and knowledge management – The paradox of responsiveness and synergy

Regarding strategy content, Hedley (1977) presents the portfolio organization perspective, and the concept of core competence of the corporation by Prahalad (1990) on one hand, and Haspeslagh’s (1991) understanding about acquisition in corporate level strategy, and Campbell’s (1992) focus on the issue of seeking synergy, on the other hand are quite helpful for exploring the paradox of responsiveness and synergy and need to be incorporated in knowledge management research.

By comparing the two opposite ways of dealing with the paradoxes of responsiveness and synergy, a better understanding will be gained from the portfolio perspective and core competence perspective are described by Bob de Witt (2010) with following insights:

In portfolio perspective, the whole focus of strategist is on responsiveness and synergy becomes a neglected field. Their whole competitive strategy lies at business level and not at corporate level. Their key success factors (KSFs) are just responsive to business demands and not competence leveraging. Their primary task corporate center is capital allocations to SBU and not the competence development at all. According to them, positions of business units are highly autonomous and not interdependent. Their corporate control style revolves around setting financial objectives and joint strategy development is beyond their imagination.

Proposition 9: when the firm makes greater use of responsiveness at corporate level strategy, its focus will be on portfolio orientation. In Pakistan from Food-Impulsive Market, the case of Walls (Ice Cream) and the case of Lux (Soap) and Sunsilk (Shampoo) from Personal Care Market can be the good examples as a way of illustration.

Proposition 10: when the firm makes greater use of synergy at corporate level strategy, its focus will be on core competence. In Pakistan from Household Care Market, the case of Surf Excel (Laundry Detergent) is the best example for strategists.

“Philips: Rewire or Short-circuit?” is an exemplary International case of providing the understanding of forming corporate level strategy while dealing with the paradoxes of responsiveness and synergy.

Network level strategy and knowledge management – The paradox of competition and cooperation

Regarding strategy content, Hamel (1989) advocates the discrete organizational perspective; conversely Lorenzoni (1995) supports the embedded organization perspective. Moore (2005)

gave the idea of coevolution in the business ecosystems, whereas Dyer (1996) focuses on how to make strategic alliances work.

By comparing the two opposite ways of dealing with the paradoxes of competition and cooperation, a better understanding will be gained from the discrete organization perspective and embedded organization perspective as explained by Bob de Witt (2010):

In discrete organization perspective the whole focus of the strategists lies on competition and their preferred position is just independence and not interdependence. In this mode of thinking, they structure their environment into discrete organization. Their interaction outcomes are just win-lose ignoring absolutely the win-win dimension. They get their sources of advantage through the bargaining power and there is no multi-company level strategy. Their basis of collaboration is just power and calculation, and they make full use of collaboration through temporary arrangements. With this mentality, durable partnerships disappear and there is no trust and reciprocity at all.

Proposition 11: when the firm makes greater use of competition at network level strategy, its focus will be on discrete organization. In Pakistan from Transportation Market, the case of PIA (Airline), from Financial Market, the National Bank (Bank Account), and from Communication Market, the case of PTCL (Internet Service Provider) is the best examples for strategists.

Proposition 12: when the firm makes greater use of cooperation at network level strategy, its focus will be on embedded organization. In Pakistan, from Food-Impulsive Market, the case of acquisition of Polka (Ice Cream) by Walls (Ice Cream), and from Food-Drinks Market, the case of acquisition of AVA (Mineral Water) by Nestle Pure Life (Mineral Water) are the best examples for the strategists.

To understand the paradox of competition and cooperation at International view, the case of “Merck: A Medicine against Anorexia?” can be referred as an example.

The industry context and knowledge management – The paradox of compliance and choice

Regarding the strategy context, the idea of industry evolution given by Porter (1991) gives deep insight about the industry dynamics perspective. On the other hand the industry leadership perspective explained by Baden-Fuller et al (1990) highlights the point that the firm matters, not the industry. Moore (2000) introduced new technologies in industries in his 'living on the fault line', while Kim (1999) focusing on strategy, value innovation, and the knowledge economy introduced new and superior ways of creating value for customers. By comparing the two opposite ways of dealing with the paradox of compliance and choice, a deep and better understanding will be gained from the industry evolution perspective and industry creation perspective as described by Bob de Witt (2010):

In industry evolution perspective, strategists follow compliance and they view industry changes as uncontrollable evolutionary processes. They view firm's success due to fitness to industry demand, and they play by rules (adapt). Their point of view is just deterministic.

Proposition 13: when the firm makes greater use of compliance in the industry context, its focus will be on industry evolution. In Pakistan, from Food-Impulsive Market, the case of installation of first waste treatment plant by Walls (Ice Cream) is the best example for the strategists.

Proposition 14: when the firm makes greater use of choice in the industry context, its focus will be on industry creation orientation. In Pakistan, the case of cement and fertilizer plants multi-fueled by gas and coal are the best examples in the field of strategy.

To understand the paradox of compliance and choice at International level, the case of "CarMax: To the Max!?" can be referred as an example.

The organizational context and knowledge management – The paradox of control and chaos

Regarding organizational context, Cyert (1990) defines leadership and explicates the process focusing on the organizational leadership perspective. Stacey (1993) views strategy as order emerging from chaos in the organizational dynamics perspective. Senge (1990) explains the role

of learning in the organizational development process. Pfeffer (2000) in his explanation of knowing-doing gap highlights that organizations do not suffer from ignorance but from a lack of implementation. All these writings thoroughly explain the paradox of control and chaos, as described by Bob de Witt (2010):

In the organizational leadership perspective, the whole focus of strategist is over control. They view organizational changes as controllable creation process. According to them change determinants are leader's vision and skill. They like change in the form of top-down and their point of view is quite voluntaristic.

Proposition 15: when the firm makes greater use of control in the organizational context, its focus will be on organizational leadership. In Pakistan, the case of Packages Ltd is an excellent example for all kinds of strategists.

Proposition 16: when the firm makes greater use of chaos in the organizational context, its focus will be on organizational dynamics. In Pakistan, the cases of Lahore Development Authority (Govt. Department); and from the Personal Care Market, the case of Tibet (Talcum / Prickly Heat Powder) provide best examples for strategy makers.

The case of "Kodak: Manual or Autofocus?" is quite helpful in explaining the paradox of control and chaos in International perspective.

The international context and knowledge management – The paradox of global convergence and international diversity

Regarding the strategy context, Levitt (1983) explained the globalization of markets in the global convergence perspective and Douglas (1987) gives thorough explanation of the myth of globalization in international diversity perspective. Porter (1990) explores the competitive advantage of nations in his views on the role of International clusters, while Bartlett et. al (1989) rightly expounds transnational management. All these writings of great strategy scholars explain the paradox of global convergence and international diversity which open up new horizons for knowledge management. By comparing the two opposite ways of dealing with the paradoxes of global convergence and international diversity, rich understanding can be gained

from global convergence perspective and international diversity perspective explained in terms of Bob de Witt (2010), below:

In global convergence perspective, strategists focus upon globalization, ignoring localization. According to their opinions, major drivers are technology and communication and their strategic focus is global scale efficiency and not local responsiveness. That's why they view organizational structure in terms of global structure (centralized hub) and not transnational structure (integrated network).

Proposition 17: when the firm makes greater use of globalization in the International context, its focus will be on global convergence. In Pakistan, from the Durables Market, the case of Haier (Air Conditioner) is the best example for all kinds of strategists.

Proposition 18: when the firm makes greater use of localization in the international context, its focus will be on international diversity. In Pakistan, from the Durables Market, the case of PEL is an excellent example for all kinds of strategists.

To understand the paradox of global convergence and international diversity the case of "Ikea" can be referred as the example at international level.

Organizational purpose and knowledge management – the paradox of profitability and responsibility

Regarding organizational purpose, Rappaport (1986) in his shareholder value perspective takes side of creating shareholder value, while Freeman (1983) in his stakeholder value perspective takes side of stakeholder value. Demb et al (1992) demonstrates the purpose of organization in his article "the corporate board: confronting the paradoxes", and Yoshimori (1995) explains international perspective in his article "whose company is it?". All scholarly ideas revolve around organizational purpose and explain the paradox of profitability and responsibility. By comparing the two opposite ways of dealing with the paradoxes of profitability and responsibility, a deep understanding can be gained from the shareholder value perspective and stakeholder value perspective as illustrated by Bob de Witt (2010):

Regarding organizational purpose in shareholder value perspective, strategists emphasize on profitability over responsibility. They view organization as instruments to serve owner and the organizational purpose is just minting money. Their measures of success are absolutely accumulation of wealth, share price and dividends. They govern through independent outside directors with shares. According to them, the social responsibility lies on the shoulders of individuals and not on organizations. Pursuing self-interest is the best way of serving society.

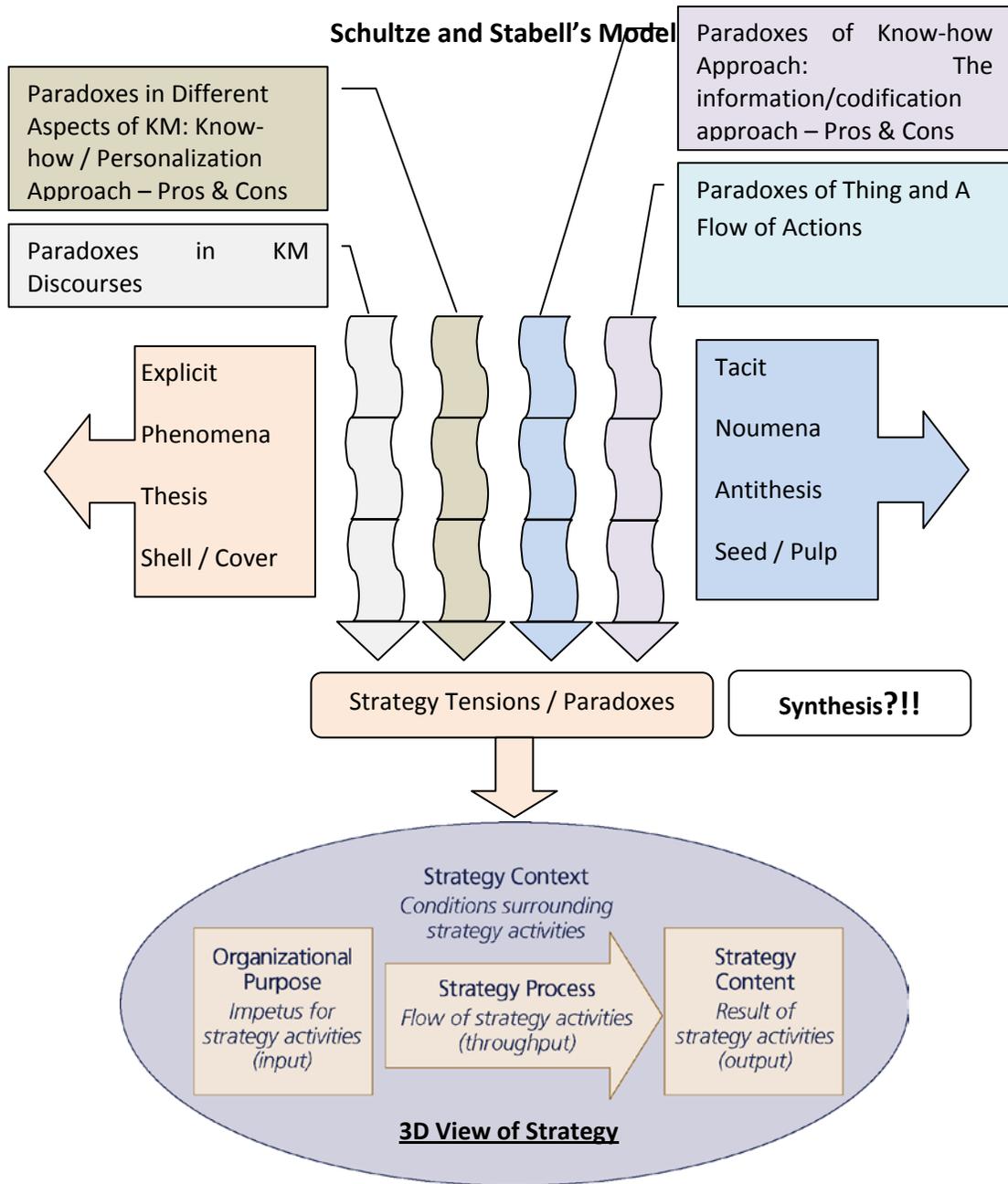
Proposition 19: when the firm makes greater use of profitability in organizational purpose setting, its focus will be on shareholder value orientation. In Pakistan, from the Transportation Market, the case of Revo (Adam Motors Co) provides deep and rich insights for the strategists.

Proposition 20: when the firm makes greater use of responsibility in organizational purpose setting, its focus will be on stakeholder value orientation. In Pakistan, the cases of Telenor *Karomumkin* Program, and Shell-Tameer Program are the good examples for the strategists.

The case of “Daimler Benz: Burnt at the Stake?” also provides a deep insight of the perspective of stakeholder value and shareholder value with an international outlook.

The same approach adopted by strategist can be applied by KM strategist for the benefits of both the employees and the employers, as well as for powerful and powerless.

# Conceptual Model Showing Land of Controversies in KM and Strategic Management: An extension of



		Strategy Tensions / Paradoxes
Strategy Process	Strategic Thinking	Logic ↔ Creativity
	Strategy Formation	Deliberateness ↔ Emergence
	Strategic Change	Revolution ↔ Evolution
Strategy Content	Business Level Strategy	Markets ↔ Resources
	Corporate Level Strategy	Responsiveness ↔ Synergy
	Network Level Strategy	Competition ↔ Cooperation
Strategy Context	Industry Context	Compliance ↔ Choice
	Organizational Context	Control ↔ Chaos
	International Context	Globalization ↔ Localization
Purpose	Organizational Purpose	Profitability ↔ Responsibility

## FUTURE DIRECTIONS

Both knowledge management and strategic management are having their own specific contradictions / paradoxes which need to be addressed with different management approaches. The forces of thesis and antithesis are prevalent in KM which needs to be brought to at the stage of synthesis by incorporating the Ghazalian view of finality of knowledge (Hesova, 2011), where knowledge is viewed as a whole and not be decompartmentalized into different components. Insights from the metaphysical fields such as religion, philosophy, and literature need to be incorporated for understanding the holistic view of knowledge as well as strategy making, strategy content, and strategy context. The way of organizing with symbolic-interpretive view can also help in solving the paradoxes prevailing in the land of knowledge management and strategic management. Moreover, the search for additional contradictions in KM and strategic management needs to be continued. The dialogic discourse and the constructivist discourse can also be developed further by incorporating deep insights exploring the Islamic fountains of knowledge along with the Ghazalian elaborations.

## CONCLUSIONS

This paper attempts to explore, extend, and refine the theory based model of Schultze and Stabell. It finds certain paradoxes in KM research along with the strategic management. While exploring the contradictory nature of knowledge, it highlights different assumptions about knowledge and knowledge management. Using rich insights of both KM scholars and strategic management pundits, it explores the land of controversies and paradoxes prevailing in KM and strategic management disciplines.

Taking insights from Brand Elections, 2010 along with the examples of International cases have been incorporated to support the grace of arguments and illuminating the ideas at both levels – national and International. It highlights the need of researching additional contradictions and the need to incorporate the Ghazalian concept of finality of knowledge for developing dialogic discourses and constructivist discourses in KM which is the missing link in the model of Schultze and Stabell.

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