Chapter 17
Towards a Competitive Knowledge Management Strategy Approach in the University Setting: The Case of Ca’Foscari University of Venice

Filippo Zanin
University of Udine, Italy

Maurizio Massaro
University of Udine, Italy

Carlo Bagnoli
Ca’Foscari University of Venice, Italy

ABSTRACT

The formulation of a competitive strategy requires an appropriate incorporation of knowledge contents for fostering the development of the competitive advantage. Visual artifacts, in the form of strategy maps, are generally considered useful for making the intertwining between different knowledge bases within the strategy making explicit. However, literature has not systematically analyzed the methods and tools for explaining how strategy making is enabled and constrained. Moreover, the public sector is a research field in which there is a call for a deeper understanding of strategic issues. In order to fill this gap, this chapter explores how strategy maps shape the strategy processes mobilizing knowledge across boundaries. Using the case study of Ca’Foscari University of Venice, a public body in the Italian University setting, the authors find that strategy maps function as boundary objects and can make strategizing a joint managerial practice.

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INTRODUCTION

One of today’s most challenging tasks for organizations is to develop strategic innovation opportunities (Teece, 2010). Thus, strategy innovation is a growing stream of research that focuses extensively on value creation through the development of new sources of competitive advantage (Doz & Kosonen, 2010). Renewing competitive strategy is a complex task as it requires integrating in a coherent manner strategists’ conflicting mental models (Fiol & Huff, 1992) and the internal and external knowledge bases (Drew, 1999). Indeed, what strategists decide is largely influenced by their different perceptual filters, which are unique, as they were formed through the specific ways of engaging with the world, and by the effectiveness of the knowledge exchange. This consideration leads to two specific requirements and supporting conditions discussed in the strategic literature for innovation strategy. On the one hand, the process of strategy formulation can be improved by using visual artifacts able to integrate and structure strategic thinking in order to conceptualize a shared strategic orientation (RS Kaplan & Norton, 2000). Visual artifacts make explicit people’s mental models and thus can be used to correct gaps among strategists’ perceptions in order to gain strategy coherence among all the members of the group (Nath & Sudharsan, 1994). On the other hand, since the process of strategy formulation is affected by the availability of different knowledge bases, there is a strong interaction between competitive strategies and knowledge management strategies (Zack, 1999). Consequently, the way to incorporate knowledge contents into analytical models for strategy-making becomes a strategic issue (Hlawi, McCarthy, & Aronson, 2006). Literature on innovation strategy emphasizes the role of visual representation for supporting knowledge management and collaboration in multidisciplinary teams (Eppler & Platts, 2009). In particular, it has been demonstrated that the use of graphical representations supports both the abstraction and the concretization of reasoning (Ewenstein & Whyte, 2009). The potential benefits of using visual representations for fostering innovation strategy have not yet been analysed extensively (McGrath, 2010). Moreover, few case studies that reflect on the mediating role of visual representation in the strategic decision-making for the public sector have been published (Irwin, 2002). This study aims to fill these gaps and explores the use of strategy maps for the formulation of new strategy within the executive board of Ca’ Foscari University of Venice. More specifically, we analyze how strategic maps weave different mental models and knowledge bases into a coherent strategic intent both for the members of the executive board and for the external stakeholders. The Italian University setting is a particular research topic within the public sector domain. The large majority of Italian Universities are public bodies as they depend on other bodies, such as Ministries, to define the scope and architecture of their primary activities and are influenced by regulatory and legal frameworks that produce disciplining effects in corporate governance. Moreover, they acquire financial resources from government funds and the recent spending cuts put them in competition with one another for funding. A recent reform is stimulating a radical change in the management policies of this particular educational public body. Ca’ Foscari University of Venice has been recognized by the Italian Government as a successful case of study because it was able to apply the recommended strategic changes and thus represents the ideal field for testing our research hypothesis. The following section presents the theoretical background within the literature of competitive strategy and knowledge management strategy, followed by a literature review within the field of strategy visualization. We give a special emphasis on the conceptualization of boundary objects to gain insights into the effective use of strategy maps in practice. Then the research setting is described and the case study presented with wide use of qualitative contents. Finally, the