

Client influences on knowledge renewal

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Focus of the paper

Key question:

How do clients influence the way learning takes place within organisations?

Previous emphasis on organisational learning inside the firm – interest in influences external to the firm – role of clients

Develop an organising framework – client influence learning orientation matrix (CLOM)

Illustrate the different learning orientations using examples drawn from case study organisations

HRM practices that support each learning orientation

HRM and knowledge renewal

*questions of how to attract, motivate and develop workers with critical skills and aptitudes must be fundamental to any model of knowledge-based competition
(Boxall and Purcell 2000: 199)*

HRM functional structure:

HRM structure and line management function during project intensification in R&D projects. (Bredin & Sonderlund; 2006)

Forms of capital:

Youndt and Snell (2004) intellectual capital as a mediating construct in HR performance links.

Leana and van Buren (1999) employment practices which facilitate the development of social capital.

Relationship between HR and strategic performance options in PSFs
(Doorewaard and Meihuizen (2003) 2003: 40).

We know little about the links between HRM and knowledge renewal

Explore and exploit (March, 1991)



New knowledge developments



Small, significant refinements

Client relationships

- Client influences on knowledge renewal - PSFs operate in networked environments with different relationships (Gulati, Nohria and Zaheer, 2000)
 - Collaborative – joint development of solutions
 - high level of deep trust
 - Opportunistic – short term, economic relations dominated by one party - client

Client-influence Learning Orientations Matrix (CLOM)



Modes of learning

Explore

Exploit

Reinvent	Regenerate
Re-use	Refresh

Opportunistic

Collaborative

Client Influence



Four learning orientations

- Regenerate: where PSFs develop long term, trusting, collaborative relationships with clients to renew their knowledge assets allowing the exploration of innovative offerings;
- Refresh: where PSFs work collaboratively with clients to refine existing solutions over extended periods of time;
- Re-invent: where there is an emphasis on the exploratory knowledge renewal strategy within opportunistic relationship when a dominant client demands new thinking, often at short notice;
- Re-use: where the PSF is engaged in an opportunistic client relationship with a dominant focus on using existing solutions.

Client influence and type of ambidexterity

Modes of learning	Explore	Reinvent	Regenerate
	Exploit	Re-use	Refresh
		Opportunistic	Collaborative

HT
One off MBOs/company sales/purchases

K
One off responses to existing clients

S
Series of big one off campaigns for major clients

GC
Close working with clients to develop customised solutions eg facilitator development across organisational boundaries using multiple agents

K
Creative rebranding for a major client

S
Client asks them to do their marketing

WP
Long term innovative marketing campaigns with partners linked to content

HT
Distress purchase of employment law

K
Refining point of sale materials under strong direction

WP
One off or sequential advertisers – short term campaigns – reviews determine whether they are repeated

GC
Templates for working applied to each engagement; exploiting knowledge bases in sectors, regions and practices

HT
'we are your lawyers' – on a retainer for advice on employment matters and ETs

K
Apply ideas from one account to another

S
Refresh DM campaigns for long standing clients following detailed data analysis

WP
Close working with partners sharing data and refining campaigns to improve performance

HRM practices within each learning orientation



Explore

Modes of learning



Exploit

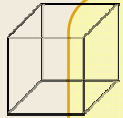
<p>Reinvent</p> <p>Recruit analytical abilities with capacity to work intensely over short time periods</p> <p>Selection based on values and potential</p> <p>Develop range of experience through broadly designed jobs, coaching and feedback</p> <p>Internal allocation of staff involving rotation between account/assignment teams</p> <p>Reward line managers' ability to develop their staff</p>	<p>Regenerate</p> <p>Recruit creativity and project management expertise</p> <p>Select to match the firm and the client</p> <p>Allocation of staff internally to create firm/client teams (hybrid teams)</p> <p>Create project teams which draw on internal and external expertise to meet highly specialised client needs</p> <p>Promote following competitive tournament using set criteria</p>
<p>Re-use</p> <p>Recruit and select junior staff willing and able to follow client instructions</p> <p>Formal training in standard procedures</p> <p>Reward tenure to build up client relationships</p> <p>Involvement and participation practices designed to break down internal barriers and encourage knowledge sharing</p> <p>Extensive communications to encourage feeling of identity with the firm not with the clients</p>	<p>Refresh</p> <p>Recruitment of staff from and by clients</p> <p>Selection on basis of current knowledge (especially of sector and client) and ability to apply this immediately</p> <p>Clearly identified client account teams within the firm with strong internal boundaries to build up expertise</p> <p>Narrow job design and career structure and training on current job only</p> <p>Team based reward for achieving targets to encourage retention</p>

Opportunistic

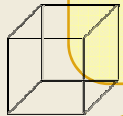
Collaborative

Client Influence

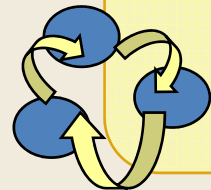
Four orientations co-exist



Structural ambidexterity involves the creation of separate units to deal with the different knowledge renewal processes.

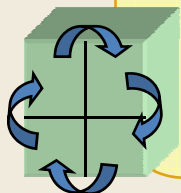


Explore and exploit in different units



Process ambidexterity - the separation of learning orientations through various processes rather than structures (exploit for client engagement and explore for client solutions)

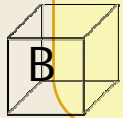
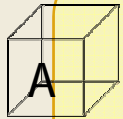
Explore and exploit in different processes



Bilateral learning - combines exploitive and explorative learning activities to create new opportunities and re-configure existing ones simultaneously within a single learning unit (Kang et al. 2007)

Explore and exploit in the same unit and process

Types of HRM practices



Structurally differentiated HRM approach

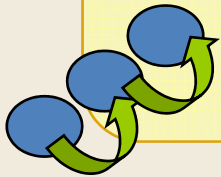
This involves developing a series of employment sub-systems designed to match the different forms of capital in each learning orientation

Structural ambidexterity

Developmental HRM approach

This approach seeks to align the different knowledge assets with various knowledge renewal orientations which themselves reflect client needs

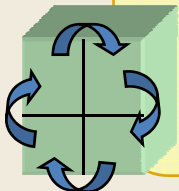
Process ambidexterity



Strategic HRM approach

Flexibility of knowledge and experience suitable for one group of people to apply all four learning orientations

Bilateral learning



Back-up slides