Knowledge management influences on strategy dissemination: Cemig case study

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Abstract

This study aimed to understand and analyze the influence of Knowledge Management on the process of strategy dissemination at Cemig (Energy Company of Minas Gerais, Brazil). A model linking the interfaces between the themes of Strategy and Knowledge Management was developed as part of the theoretical background. In order to understand the strategy dissemination flow, thirty (30) semi-structured interviews were conducted with employees at all organizational levels: directors, superintendents, managers, and employees with university education as well as technical and operational level education. The documental analysis of files concerning corporate strategy as well as direct observation were conducted, allowing data triangulation. Content analysis was used to analyze the interviews. The results revealed that the existence of knowledge management influences the strategy dissemination in Cemig. This influence, however, varies according to the use of communication channels, tools and practices. It can be noticed that the use of tools and channels is configured as an input accessory (media support). Nevertheless, what really made the difference was the use of face-to-face communication (rich media). The importance of the leader in the pro-

cess of strategy dissemination was also identified. Not all leaders, even acknowledging the importance of their role in this process, have already put their words into practice. We conclude, therefore, that there is already a consistent and recognized organizational effort in externalizing strategic knowledge through the various channels, tools and practices available. However, it is clear that the process of internalization of strategic knowledge by the employees still needs to be improved. It is expected that the expansion and maturity of the direct contact between leaders and teams will strengthen knowledge internalization and the contribution of individual employees to strategy achievement.

Keywords: Strategy. Knowledge Management. Strategy Dissemination. Strategy Communication.

Introduction

In general, employees are responsible for making the strategy work within the company. Therefore, it is crucial that they know the strategy and how they can contribute to the process (BARKER & CAMARATA, 1998; COUTINHO & BONASSI, 2011; DORIA, 2006; EDGELOW, 2011; GOODMAN, 1998; HIGGINS & DIFFENBACH, 1989; KAPLAN & NORTON, 1997; 2006; KLEIN, 1996; KOTTER, 1990; TUCKER *et al.*, 1996).

This fact stands out in a study conducted by Harvard Business Review (2010). Using a representative sample of 1,075 respondents, the HBR journal identified that the biggest challenge to the strategy implementation is that it has to be meaningful to front-line employees. According to the survey, most of the employees do not know what their company's strategy is, as it is formulated at the top of the organizational pyramid. In fact, the results show that 59% of the respondents believe that there is an imaginary line in the organizational structure. In this structure, the strategy is created by people above the line (leaders) and performed by people below the line (front-line workers). Thus, the knowledge of the company's strategy is restricted to persons directly involved in its development. Yet, according to the survey of Harvard Business Review (2010), 72% of those surveyed consider clear communication as the most important aspect of implementation of the company's strategy.

Researchers have developed relevant studies of the strategy dissemination process, its main stages and objectives. Among these are, for example, the definition of the target audience, the selection of channels, the promotion of learning and knowledge sharing (MALINA & SELTO, 2001; MOSS & WARNABY, 1998; NORTON & COFFEY, 2007). However, part of the literature disregards the real complexity of the process of strategy dissemination, dealing with the phenomenon of communication merely as a tactical function (MOSS & WARNABY, 1998; STEYN, 2003, PENG & LITTELJOHN, 2001). This is, therefore, an important gap to be explored and associated with the influence of Knowledge Management (KM) in the organizational strategy dissemination process.

Although there is no consolidated theoretical line to jointly address the issues of strategy dissemination and knowledge management, there are convergent points that bring them closer and enable these issues to be dealt with in an integrated perspective. Disseminating the strategy presupposes sharing strategic knowledge on the various organizational levels. Thus, Knowledge Management can be a relevant catalyst of the strategy dissemination process, as long as it is based on the use of various channels, tools and practices.

Given this context, the central question that guides this study is *how can Knowledge Management (KM) influence the process of strategy dissemination through the use of communication channels, tools and practices?*

The survey to address the question above was conducted in a large company that represents a typical case of the national electrical sector. Cemig, in the market for 61 years, is the largest integrated group of the Brazilian electrical sector. It is involved in the distribution, transmission, generation, and sale of electricity, as well as gas, services, energy efficiency, and telecommunications. Currently, it has about 8,000 employees, 10 million consumers and an annual revenue of R$ 14 billion (Brazilian Reais).

Hence, this study seeks to understand and analyze the influence of knowledge management in the process of strategy dissemination at Cemig. As a result, the following activities are proposed: analyze the use of the communication channels, tools and practices for information and knowledge management in the process of strategy dissemination; understand the role of managers in strategy dissemination for their teams; and, investigate whether and how employees internalize the knowledge about strategy and identify their contributions to achieve results.

Theoretical Support
Strategy Dissemination

When the company's desire and the path to be followed in order to achieve it become clear, employees have to get involved so that the strategy becomes both a continuous process and everyone's task. Understanding the strategy is a prerequisite for carrying it out (KAPLAN; NORTON, 1997; 2006).

In spite of the strategy being developed by the leadership, it is performed at various organizational levels, and individuals are responsible for it (PETTIGREW et al., 2002; WHITTINGTON, 2002). In order to sustain the organizational performance, everyone has to understand the strategy. Hence, there is a need for efficient and effective communication in order to make the strategy known and more easily performed: "... those who are on the front-line are the ones who will implement the actions necessary to ensure that the objectives are pursued and the goals achieved. They are the people who will, in fact, take the strategy from paper to action" (COUTINHO; BONASSI, 2011, p. 41).

The communication strategy should be a priority and cannot be a one-time event, it should be continuous and instructive. Good communication requires willingness, purpose and transparency (BARKER; CAMARATA, 1998; GOODMAN, 1998; TUCKER *et al.*, 1996).

For Norton and Coffey (2007), an efficient program of communication strategy has four components:

a) definition of the target-audience and the key-objectives of communication: each sector of the organization has different objectives and information needs. Therefore, it becomes important to identify each target-audience (internal and external) and to evaluate how to communicate the strategy to each one;

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b) identification of the message flows: a message flow is related to the frequency of information on a given subject. Thus, the flow to meet the objectives of the communication must be defined;

c) selection and elaboration of communication channels: a message should be reinforced to be retained by people. It is necessary to select the correct media, frequency of communication and audience so that the information reaches the target and makes people act on it. There are two main types of media: rich and support. The former involves personal interaction such as meetings, workshops and face-to-face interaction, and is considered one of the most effective means for sharing information. The latter is impersonal and passive using, for example, newsletters, intranet and e-mails. Rich media emphasizes tacit knowledge flows; whereas, support media focuses on explicit knowledge flows. Efficient programs combine the use of the two media types to provide constant education and to reinforce the strategy message;

d) request of feedback and promotion of learning: get employees' feedback on the communication strategy is essential to identify whether the message was received, understood and acted upon by the public. The feedback also shows whether there is a need to modify the message or the communication channels and how to do this.

There are several principles that constitute a good communication strategy (KLEIN, 1996). For the author, message redundancy reinforces its understanding and its content. In addition, relevant information, shared personally, has a higher degree of retention than abstract, unknown or general information. People like to be informed about what affects them directly. Moreover, the use of various media is more effective than just one, and face-to-face communication is preferred over the others. This presents communicator and recipient with the chance to interact properly, reducing ambiguities and providing feedback. Finally, taking into account the different hierarchical levels, line managers are considered, par excellence, agents of communication and responsible for influencing attitudes and opinions. Employees prefer to receive relevant information from their direct supervisor.

In a communication strategy process, the role of leadership is crucial to engage people. Managers are responsible for disseminating the information regarding the strategy for their team members (DORIA, 2006; EDGELOW, 2011). The leaders need to be aware of their role as communicators, disseminating information, encouraging dialogue and promoting the exchange of experience and feedback among employees. Employees want and need to obtain the information from their immediate leaders. If the leaders do not make clear the organization's strategic goal, employees might be forced to interpret it on their own. Consistent communication by the leaders leads teams to support organizational objectives, goals and shared values (ALEXANDER, 1985; DUNLOP et al., 2012; EDGELOW, 2011; GOODMAN, 1998; KOTTER, 1990; TUCKER et al., 1996).

Knowledge Management

Knowledge can be understood as an act, a process whereby the subject perceives the world and establishes a connection with it. It can also be defined as an ability acquired by individuals through education and/or experience (CHAWLA;

JOSHI, 2011) and be seen as relational, dynamic, context-specific, and essentially linked to human action (NONAKA et al., 2000).

However, knowledge adds value to an organization only when it is used to make decisions successfully, solve problems and produce an effective performance (LIYANAGE et al., 2009). Researchers have studied knowledge, promoted discussions and developed models for its establishment and management. Knowledge Management (KM) is a process of validation, creation, presentation, distribution and application of knowledge and is geared primarily towards the information and knowledge generated and accumulated within the organization. These five stages allow an organization to learn, reflect, unlearn and relearn (BHATT, 2001; TERRA; ALMEIDA, 2012).

According to Polanyi (1966), there is a distinction between two kinds of knowledge: explicit knowledge and tacit knowledge. Explicit knowledge is easily transmitted, easily expressed and readily transferable. Tacit knowledge is difficult to communicate through formal language, but can be deduced or inferred by actions. Typically, it will require richer media such as face-to-face interaction.

Using this distinction and the assumption that knowledge generates new knowledge through a formal interaction between tacit and explicit knowledge, Nonaka and Takeuchi (1997) propose four modes of knowledge conversion: socialization, externalization, combination and internalization, which are managed in a continuous cycle, named the knowledge spiral.

Socialization is the conversion of tacit knowledge to new tacit knowledge. This can be achieved through informal social interactions or sharing experiences in a mentoring relationship. Tacit knowledge sharing among individuals plays a critical role in the creation of organizational knowledge. People have different stories, motivations, aspirations and this enhances the exchange of experiences.

Combination is a process of systematization of explicit concepts in a knowledge system: i.e., it is the combination of different parts of explicit knowledge through analysis, categorization and reconfiguration of information (SVEIBY, 1998).

The interaction between tacit and explicit knowledge results in internalization and externalization. Externalization is the process of converting tacit knowledge into explicit knowledge, often through the use of metaphors and analogies (SVEIBY, 1998). In turn, internalization is the conversion of explicit knowledge to new tacit knowledge. It is related to learning-by-doing and the typical usage of the term learning. It results from the interpretation of explicit knowledge from books, documents, messages and media.

Knowledge Sharing

In order to share knowledge, individuals must be willing to communicate and to learn from others. Thus, organizations need to stimulate a culture of sharing, exchange of information and experience among individuals, building an environment of trust that supports the whole process (DE LONG, 1997; LUBIT, 2001; REGO et al., 2012; SZULANSKI; CAPPETTA, 2003).

However, knowledge sharing faces obstacles to become effective. Knowledge transfer, for some people, can mean loss of influence, of superiority, of professional

respect and of job security (DAVENPORT; PRUSAK, 1998; DISTERER, 2001; LUBIT, 2001). It may also be difficult for recipients to acquire knowledge. Not everyone has the ability to acquire all the information received. Thus, the lack of a common language among individuals becomes an obstacle for knowledge sharing (DISTERER, 2001; SZULANSKI; CAPPETTA, 2003).

Other important obstacles are related to the lack of trust among individuals and the absence or deficiency of learning channels or means of communication, formal or informal, that stimulate sharing. The lack of a psychologically safe environment to express and experience different opinions and ideas undermines the dissemination of knowledge within an organization (SUN; SCOTT, 2005). The channels or media may also hinder the knowledge transfer if situations of uncertainty and ambiguity arise from multiple and conflicting interpretations about certain topics (JOIA, 2009).

Communication Channels, Tools and Support Practices for Knowledge Sharing

Written or oral means of communication, interactions between the various techniques and people, as well as the use of information and communication technologies (ICTs) have direct influence on knowledge sharing (BHATT, 2001; DAVENPORT, 1998; LIAO, 2003; NONAKA; TAKEUCHI, 1997; SVEIBY, 1998). In this sense, organizations have access to several channels that can be explored: e-mails, intranet, blogs, newspapers, magazines and newsletters (ANGELONI; GROTO, 2009).

Newspapers, magazines and newsletters are important vehicles and represent a significant component of the knowledge sharing process. However, there are other ways, means, projects and resources that should be experienced (CRUZ, 2005). Davenport and Prusak (1998) state that Internet-based technologies (e-mail, intranet and blogs) are ideal for sharing dynamic and interconnected information.

Despite the relevance of the existing channels and tools, face-to-face interaction is considered, in the literature, the most effective means of knowledge sharing. Physical proximity and the informality of face-to-face interaction are factors that positively influence the exchange of information. Some examples of this practice are meetings, lectures and workshops (DAVENPORT; PRUSAK; 1998; DIXON, 2000). The use of various communication channels, tools and practices available allows organizational members to debate, discuss and interpret information from multiple perspectives (BHATT, 2001).

Although no theoretically consolidated line that deals with both strategy dissemination and knowledge management together was found in the development of this theoretical framework, there are convergent points that bring them together and enable dealing with these issues in an integrated perspective. Table 1 was developed bearing this in mind and in an attempt to establish a dialogue between these themes.

Table 1 - Points of Convergence between Knowledge Management and Strategy Dissemination

Points of convergence between the constructs	References
Channels, tools and Knowledge Management practices	Angeloni and Groto (2009); Bhatt (2001); Cruz (2005); Dixon (2000); Davenport (1998); Davenport and Prusak (1998); Liao (2003); Nonaka and Takeuchi (1997); Sveiby (1998)
Strategy dissemination process	Barker & Camarata (1998); Coutinho and Bonassi (2011); Dória (2006); Dunlop et al. (2012); Edgelow (2011); Goodman (1998); Higgins & Diffenbach (1989); Kaplan e Norton (1997; 2006); Klein (1996); Kotter (1990); Malina & Selto (2001); Moss & Warnaby (1998); Norton & Coffey (2007); Peng & Litteljohn (2001); Pettigrew et al. (2002); Steyn (2003); Tucker et al. (1996); Whittington (2002).
Leadesrship role in strategy dissemination	Alexander (1985); Dória (2006); Dunlop et al. (2012); Edgelow (2011); Goodman (1998); Klein (1996); Kotter (1990); Tucker et al. (1996).
Employees's role in strategy dissemination	Coutinho and Bonassi (2011); Kaplan and Norton (1997; 2006); Pettigrew (1987); Whittington (2002).

Source: the authors

Table 1 shows that, knowledge management, which was systematized through the use of channels, tools and practices in the context of this study, has the potential to contribute to the effectiveness of the dissemination strategy through the use of channels, tools and practices. On the other hand, strategy dissemination is characterized by a process of externalization (usually carried out by the top leadership and strategic planning area) and internalizing the organizational knowledge as a whole. Thus, a cycle is created in the organization where externalizing knowledge is as important as getting individuals to internalize it, putting it into practice.

Methodology
Characterization of the study

To respond to the problem proposed in this paper, the method chosen was the single case study consisting of an intensive examination, in both depth and range, of the organization under study, using all the techniques available (GREENWOOD, 1973; YIN, 2005).

Cemig (Energy Company of Minas Gerais, Brazil), the unit of empirical analysis, has had a unified strategic planning process since the beginning of the 1990s, which handles the development of strategies for the entire corporation, aiming to achieve synergy between the business and companies of its portfolio. The process is the responsibility of senior management, represented by the Board of Directors and Executive Board, and is under the coordination of the Strategy Planning and Management area. The size of the company, its representativeness in the Brazilian electrical sector and the maturity of its strategic planning process were decisive factors in choosing this unique case.

Strategies and Tools for Data Collection and Analysis

In this study, semistructured interviews were conducted (GASKELL, 2002) from a set script that served as a guide to facilitate the dialogue with respondents.

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Thirty employees were interviewed at all levels of the organization: directors, superintendents, managers, college-educated employees and employees of technical and operational level. This selection of respondents aims to explore the spectrum of differing opinions and representations of the issue at hand (GASKELL, 2002).

Of the 30 interviews, 17 were held with company executives and 13 with college-educated employees and technical and operational employees. The choice of carrying out more interviews with the executive body is justified, because the dissemination of the strategy is a top-down process in the company; i.e., executives are responsible for disseminating the strategy to employees.

The script of the interview was structured on the basis of theoretical constructs of strategy and knowledge management. Hence, it was divided into five main blocks: the formulation and implementation of the strategy; communication channels, tools and practices; the process of strategy dissemination; the role of leadership and the role of employees.

The script of the interview was validated by experts in strategy from the Brazilian Community for Strategy Management. This community was founded in 2002 and currently brings together representatives of about 20 major companies in the country, from various sectors such as Petrobras, National Bank of Economic and Social Development (BNDES), Industry Social Service (SESI), Cemig, São Paulo's Energy and Light Company (CPFL), Eletropaulo, Sotreq and Volkswagen Bank. This group meets every two months, in São Paulo, to exchange experiences and share best practices in planning and strategy management.

The interview script was validated in the meeting of March 14, 2013. The study objectives and the script of the interview were presented in blocks and the participants of the Strategy Management Community gave their contributions which were readily written down, discussed and, to a large extent, incorporated into the script.

Furthermore, from May 20 to May 24, 2013, a pre-test interview was conducted with two employees of the company: a management level employee, i.e., the superintendent for strategy planning and management; and, a college-educated analyst. The aim of this pre-test was to assess issues such as the time spent with the completion of the interview, content, clarity and relevance of the wording of the questions.

The content analysis technique was used to analyze the data, which allows the grouping of information into categories of analysis (BARDIN, 2002). The process starts with a complex mass of information from the various data collection methods and is reduced to main categories of analysis (LANGLEY, 1999). This categorization reduces complexity and allows the reconstruction of values, attitudes and opinions and their comparison based on systematic classification (BAUER, 2003).

From the data collected, and based on the points of convergence between the constructs (Table 1), the categories of research analysis were defined (EISENHARDT, 1989): the formulation and implementation of the strategy; channels, tools and practices; the role of leadership; the role of employees; the process of strategy dissemination.

Additionally, the analysis of documents, archives and direct observation contributed to corroborate and enhance evidence as well as to provide additional information to that collected in the interviews (JICK, 1979; YIN, 2005).

Results
Characterization of the Company and the Interviewees

Cemig is one of the most important groups in the electrical sector in Brazil, present in more than 100 companies. It is a publicly traded company controlled by the Government of the State of Minas Gerais, with more than 100 thousand shareholders in 44 countries. Its shares are traded on the stock exchanges of São Paulo (Bovespa), New York (NYSE) and Madrid (Bolsa de Madrid). It also has investments in telecommunications, natural gas and energy efficiency.

Document analysis showed that Cemig adopts the formal strategic planning model based on the definition of the mission, vision and values. The main strategic drivers of the company are founded on the vision of the future and translated in strategy maps, according to the Balanced Scorecard methodology (KAPLAN; NORTON, 1997; 2006). Based on the strategy maps, the organization strategy is deployed using the strategy contribution panels of various areas of the company.

The thirty interviews were conducted between May and July, 2013, with a total duration of 1,174 minutes and more than 120 pages of transcript. The average duration of the interviews was 39 minutes.

Regarding the profile of the respondents, the average amount of time that an employee remains with the company was 18.4 years. On the other hand, the average amount of time in other organizations was only 2.16 years. This longer period of time employees remain in the company gives consistent results because the respondents know the company well, experience its evolution and growth, having a deeply entrenched corporate culture. To preserve the confidentiality of the respondents, they were categorized as Respondents 1 to 30.

Data Analysis by Categories
• Formulation and Implementation of Strategy

It was observed that respondents at all hierarchical levels know, in general terms, the company's current strategy. Strategic issues such as growth, operational efficiency and sustainability were cited by 90% of the respondents, which confirms the understanding of the company's main challenges.

In general, with regard to strategy implementation, respondents believe that Cemig has tried to execute its strategies, although there is room to evolve. Opinions regarding the implementation of the strategy vary according to the area. This may be explained by the fact that people directly perceive their daily activities being carried out and, consequently, their impact on specific pillars of the strategy.

• Channels, Tools and Practices

To evaluate the company's communication channels, respondents had to choose the best option out of nine alternatives for the dissemination of the strategy to the employees: intranet, company portal, e-mails, posters, booklets, *Jornal Mural* (biweekly journal with concise texts), *Revista Universo* (quarterly magazine focusing on business information of the Cemig Group), *Energia da Gente* (monthly newspaper

focusing on the employees and their family members), CEO's (Chief Enterprise Officer) video.

The communication channels presented below were those with the highest contribution from the point of view of the respondents. The video aired on a monthly basis by the CEO was considered the most appropriate and efficient way to disseminate the strategy by 93% of the respondents. The importance of classic electronic channels, such as intranet and e-mail, was also noticed. The intranet was cited by 73% respondents. They highlighted the reach of this channel in terms of the number of employees with access to the intranet and the volume of information disclosed. E-mail was chosen by 53% of respondents as an alert channel for strategy communication. The *Jornal Mural*, available in the cafeterias, which presents information on various topics including strategy, was mentioned by 40% of the respondents. The *Energia da Gente* newspaper was mentioned by 37% of the respondents. The posters were cited by 20% of respondents as an alternative to strengthen specific strategy campaigns and booklets were chosen by 17%.

After the investigation of the communication channels, the respondents were asked to evaluate the *Visão e Ação Online* tool (V&A) and the strategy website on the intranet, both under the responsibility of the Strategy Planning and Management area. The V&A is a monthly newsletter to disseminate the strategy which is emailed to employees by the leadership.

The *Visão e Ação Online* was favorably reviewed by all respondents. People believe that is a well recognized and established tool and that it contextualizes, in a broad and educational way, the company's main strategic challenges. However, many employees claim that management does not have the habit of promoting informative discussions with the team, only forwarding the newsletter by e-mail. As regards the strategy website on the intranet, 20% of the respondents have never accessed the tool. Generally speaking, those interviewed who know the site access it sporadically. It is a consensus that it should be better promoted.

Finally, there was some questioning about the importance of the practice of holding meetings, road shows and visits to team members to discuss the strategy. All respondents consider face-to-face communication as the primary and most effective way to discuss and disseminate strategy to employees. Employees, as well as executives, reinforce the importance of communicating strategy by direct contact between leadership and teams:

> The communication channels and tools do not have the same effect as the leader's conversation with his team. Employees feel the lack of personal contact. Directors, superintendents and managers have to speak constantly of strategy with employees. Employees want to hear from leadership what is happening inside and outside the company and how it impacts them. When they receive the information, they are able to react and engage themselves. (Respondent 13).

According to the respondents, the communication channels and tools used by Cemig to disseminate strategy to employees are important and fulfill their goal. However, face-to-face communication is the most important and relevant tool when compared to the others. The physical proximity and informality in face-to-face interaction positively influence the exchange of information (DAVENPORT, PRUSAK; 1998; DIXON, 2000).

- **The Leadership Role**

According to the respondents, leadership plays a main role in the dissemination of strategy to employees. This statement is supported by the literature, which claims that consistent leadership communication engages the teams to support organizational objectives, goals and shared values (ALEXANDER, 1985; DUNLOP et AL., 2012; EDGELOW, 2011; GOODMAN, 1998; Kotter, 1990; TUCKER et al., 1996).

One of the interesting findings of the study is that none of the respondents believe that leadership faces barriers in disseminating strategy to their team. This somewhat contradicts the literature regarding the removal of several barriers that can hinder knowledge sharing (DAVENPORT, PRUSAK, 1998; DISTERER, 2001; LUBIT, 2001; SZULANSKI & CAPPETTA, 2003; SUN & SCOTT, 2005; JOIA, 2009). Respondents believe that it depends on the interest and will of the leader to prioritize such activity.

To improve the performance of these managers as the multipliers of strategy, the respondents suggested several actions to be deployed and/or reinforced by Cemig: tie variable remuneration of the leaders to team performance; provide training; demand performance by senior management; demand participation of the leaders in the process of formulation of strategy; prioritize time; develop the profile of more engaging leadership; promote "*Visão e Ação Online*" tool.

- **The Role of the Employees**

The respondents state that employees do not always identify their individual contribution to the strategy. This confirms what had been previously identified, i.e., that the employees know the strategy in general terms as well as the main challenges of the company. However, employees find it difficult to identify clearly how they can achieve strategic goals with their daily work duties. Respondents believe that the role of the leader is critical in linking their team's activities with the company's strategy.

- **The Strategy Dissemination Process**

The respondents believe that Cemig has made an effort to communicate strategy and that its dissemination has been consistent. However, some respondents (20%) claim that the disclosure of information still takes place at top management levels, making it difficult to relate this information to the day-to-day life of the employees. In general, 67% of the respondents say that the information regarding strategy is clear and of good quality. The other 33% believe that, although the information received is of good quality, it lacks clarity on certain topics.

Finally, an important step in Cemig's strategy dissemination process was to identify its strengths, weaknesses as well as the improvements suggested by the respondents. The main strengths of the process of strategy dissemination identified by respondents were: meetings for the discussion of strategy envolving directors and superintendents, superintendents and managers, leaders and teams; the strategy road shows and visits; the communication effort of senior management; the CEO's

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video; the survey on the Strategy Focused Organization (SFO) held annually in the company; and, the "*Visão e Ação Online*" tool.

However, the major weaknesses in the strategy dissemination process identified by the respondents were: difficulty in making the link between strategy and everyday life action; lack of face-to-face communication; dissemination highly dependent on the proactivity of employees to seek information; no deepening of the information disclosed; leadership not available to transfer information; resistance to change.

The strong points raised by the respondents are closely linked to the communication channels, tools and practices used by Cemig for the dissemination of strategy. On the other hand, the weaknesses are more related to cultural and behavioral issues. These points highlight the importance of a cultural change for a more effective dissemination of strategy.

Conclusions

The purpose of this study was to understand and analyze empirically the influence of knowledge management in Cemig's strategy dissemination process. Regarding this objective, it was concluded that the existence of knowledge management influences strategy dissemination in Cemig. This influence, however, varies with respect to the use of channels, tools and practices. According to the literature, there are two types of media that can be used in a strategy dissemination process: rich and support media. The first involves personal interaction and the second is impersonal and passive (NORTON & COFFEY, 2007). Relating these two types of media with the means of dissemination used in this study, it can be observed that the channels and tools represent the support media and the practices represent the so-called rich media.

In the analysis of the use of channels, tools and practices for information and knowledge management in Cemig's strategy dissemination process, the use of channels and tools is seen as an ancillary contribution, as a support to communication (support media). However, what really makes a difference, according to the surveyed individuals, is the use of practices, face-to-face communication (rich media), and direct contact with employees. These findings are supported by the literature (BHATT, 2001, DAVENPORT & PRUSAK, 1998; DIXON, 2000, KLEIN, 1996).

In understanding the role of the leader in the dissemination of Cemig's strategy, the importance of the leader in the process of strategy dissemination was identified both in the literature (ALEXANDER, 1985; DÓRIA, 2006, DUNLOP et al., 2012; EDGELOW, 2011; GOODMAN, 1998; KOTTER, 1990; TUCKER et al., 1996) and in the company. The direct contact of leaders with employees to discuss strategy, present challenges, engage people, define priorities and the focus of action is essential according to the participants of the empirical study.

No less important is the role of employees to the strategy of the company. Employees are responsible for making strategy work (COUTINHO & BONASSI, 2011; PETTIGREW et al., 2002; WHITTINGTON, 2002). In the survey, respondents recognize and reaffirm what is in the literature: i.e., employees are responsible for the implementation of strategy, for the delivery of results and for the achievement of

goals. Regarding the internalization of knowledge about strategy by employees, respondents believe in the importance of identifying individual contributions and the role of each employee to the strategy, although this aspect was considered flawed by respondents.

Cemig already makes an important and recognized effort in externalizing strategic knowledge through the various channels, tools and practices available. However, the process of internalization of strategic knowledge by employees still needs to be improved. Thus, employees need to pursue this knowledge internalization. Once again, the relationship between the leader and the led comes up. According to the respondents, the leader must assume the role of the multiplier of strategy, being responsible for assisting the team in identifying individual contributions to the strategy. It is expected that the expansion and maturity of the direct contact between leader and teams will strengthen knowledge internalization and the individual contribution of employees to implement the strategy.

This study can contribute to the deepening of the discussion of the interfaces between the fields of strategy and knowledge management, still little explored in literature, mainly with regard to strategy dissemination. There are certain limitations to the present study, as it is a single case study. All findings are specific to this company, so it would be important to extend the study to other organizations to assess the process of strategy dissemination in a broader way. New research may be undertaken to ratify, complement or question the results obtained here, both within the company in question as well as in other organizations. The application of this study to organizations of the same size, of the electrical sector or other sectors, will improve the study.

Considering the several existing studies on strategy development and implementation, it is now time for strategists, both academics and practitioners, to come up with a more humane approach to the subject. Despite the criticality of the processes of strategy development and implementation, no result is achieved without the participation of people. Therefore, dissemination is so important. Its interface with people management is becoming increasingly critical and, despite all technological advances, it is face-to-face communication that still makes the difference. Managers who neglect their role in the process and think that it is enough just to forward newsletters and reports should be aware of the importance of listening to and engaging the foundations of the organization. Strategy dissemination should not be something from top to bottom, but a process of listening and adequacy of the discourse. In short, managers need to develop their communication skills. The strategy cannot be something cold and rational. It needs to be dreamed, planned, lived and shared to be effectively implemented and well executed by people.

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