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College of Informatics  
Graduate School of Information Management

Master Thesis

Affecting Factors on Knowledge Transfer  
in a Company

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Advisor : Dr. To Chang

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# A Study on Affecting Factors on Knowledge Transfer in a Company

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中華民國 99 年 06 月 09 日

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## ABSTRACT

The management practice literature is replete with reports of practices being used to motivate a firm's knowledge workers to transfer knowledge. Unfortunately, little is known with any certainty about which of factors affect these practices, under which conditions. It appears that in many cases the practices are ill suited for the particular situations where they are employed, with unknown but perhaps sizeable losses in opportunities foregone because valuable knowledge is not as fully or completely transferred as is possible. In addition, it seems that some of these practices are likely to be interfering with the effectiveness of other practices, just as some drugs interfere with the potentially positive effects of other drugs. About these matters, our knowledge is exceeded by our ignorance. The study identifies some factors associated with knowledge transfer, and articulates some of the most important issues associated with these factors. This study would enable organizations to be more effective in their transfer of knowledge.

Keywords: knowledge, knowledge transfer, tacit knowledge, explicit knowledge, factors related to knowledge transfer

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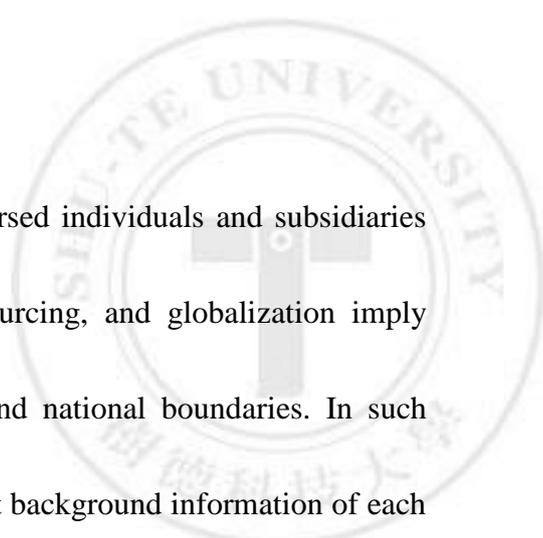
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## Chapter 1 Introduction

Knowledge is a broad and abstract notion that has defined epistemological debate in western philosophy since the classical Greek era. In the past few years, however, there has been a growing interest in treating knowledge as a significant organizational resource. Consistent with the interest in organizational knowledge and knowledge management (KM), IS researchers have begun promoting a class of information systems, referred to as knowledge management systems (KMS). The objective of KMS is to support creation, transfer, and application of knowledge in organizations. Knowledge and knowledge management are complex and multi-faceted concepts. Thus, effective development and implementation of KMS requires a foundation in several rich literatures.

An important process in knowledge management is that of knowledge transfer. Transfer occurs at various levels: transfer of knowledge between individuals, from individuals to explicit sources, from individuals to groups, between groups, across groups, and from the group to the organization.

In recent years, the shift to more distributed forms of organizations and the prevalence of inter-organizational relationships has presented new challenges to knowledge transfer (Baum and Greve 2001; Powell et al. 1996). Knowledge is

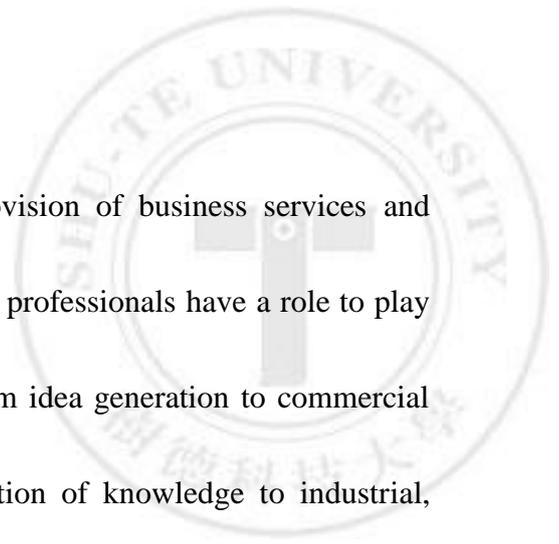


increasingly transferred between geographically dispersed individuals and subsidiaries of multiunit organizations. Strategic alliances, outsourcing, and globalization imply knowledge transfer across organizational, cultural, and national boundaries. In such knowledge transfer, participants often have insufficient background information of each other and lack a shared language and common interests, which significantly limits their ability to assess and share knowledge (Carlile 2004).

### **1.1. Research Background**

Knowledge transfer activity, which was mostly centred in universities, now involves public and private laboratories, including those operated and managed by the research councils. Regional development agencies and the devolved administrations have the remit to encourage local technology transfer by putting science and innovation at the heart of their economic strategies. The growing importance of knowledge transfer has also given rise to private companies and investment funds that exist solely to commercialize the results of research and to promote innovation.

The transfer of knowledge from research to innovative products and services can be achieved in many ways. As well as the most obvious examples – licensing to new ventures or established companies – knowledge transfer can involve the use of research in the development of new instruments and techniques, the creation of knowledge to



enhance our capacity to solve problems, or the provision of business services and support for regional development. Knowledge transfer professionals have a role to play in supporting all stages of the innovation process from idea generation to commercial exploitation. Their aim is to maximize the contribution of knowledge to industrial, regional and social development.

Knowledge transfer within organizations and between nations also raises ethical considerations particularly where there is an imbalance in power relationships e.g. employer and employee or in the levels of relative need for knowledge resources e.g. developed and developing worlds (Harman C. & Brelade S. 2003).

Knowledge transfer in an organization should take place at the individual level. Darr and Kurtzberg (2000); Tsai and Tsai (2005) stated that knowledge transfer implies individuals within one organization advising individuals from another organization on certain problems and procedure. Because individuals have a great contribution in an organization, it is necessary to understand how knowledge could be transferred between individuals and recognize the methods of knowledge transfer.

Although knowledge transfer is very important in an organization, Jacob and Ebrahimpur (2001) believe that the actual transfer of knowledge within organizations still remains a problematic issue for managers. Organizations should identify where

tacit and explicit knowledge resides when designing strategies, in order to ensure that knowledge is created and transferred to the rights individuals.

Knowledge transfer requires the willingness of a group or an individual to work with each others. Without sharing, it is almost impossible for knowledge to be transferred to other person. According to Davenport and Prusak (1998), knowledge transfer involves two actions which are transmission -the process of sending knowledge to a potential recipient- and absorption by that person or group.

In past studies, many papers discussed intra-or inter-organizational knowledge transfer. Gupta and Govindarajan (2000) studied knowledge flows within multinational corporations. Simonin (1999) studied the process of knowledge transfer between strategic alliance partners. Lyles and Salk (1996) focused on knowledge acquisition from foreign partners in international joint ventures. Griffith et al. (2001) analyzed knowledge transfer as a means for relationship development under international joint ventures. Tsai (2001) utilized the unit centrality in the network and the absorptive capacity to discuss intra-organizational knowledge transfer.

However, there is little literature that deals with how to improve knowledge transfer in a company. Based on many previous studies, this study explores what really

happen inside a company and identifies some factors that impact on knowledge within a company.

The structure of this paper is as follows. In the chapter 2, Literature Review, some definitions that concern with knowledge are presented. In the chapter 3 we will show the affecting factors on knowledge in a company and explain how they affect. In the chapter 4, we interview 5 persons, show the interview result and analysis. Finally, in the chapter 5, the conclusions and some suggestions will be shared.

## Chapter 2 Literature Review

### 2.1. Knowledge

According to Davenport & Prusak (1998), knowledge is the result of problem solving or decision-making experiences, and is usually embedded in the capability of selecting, organizing, or manipulating information for specific tasks. In organizations, knowledge usually takes the form of rules, guidelines or procedures.

In addition, we can use the definition of knowledge in the information systems context. As per this definition, knowledge is part of the hierarchy made up of data, information and knowledge (figure 1). Data are raw facts. Information is data with context and perspective. Knowledge is information with guidance for action based upon insight and experience (ITIL.com, 2004).

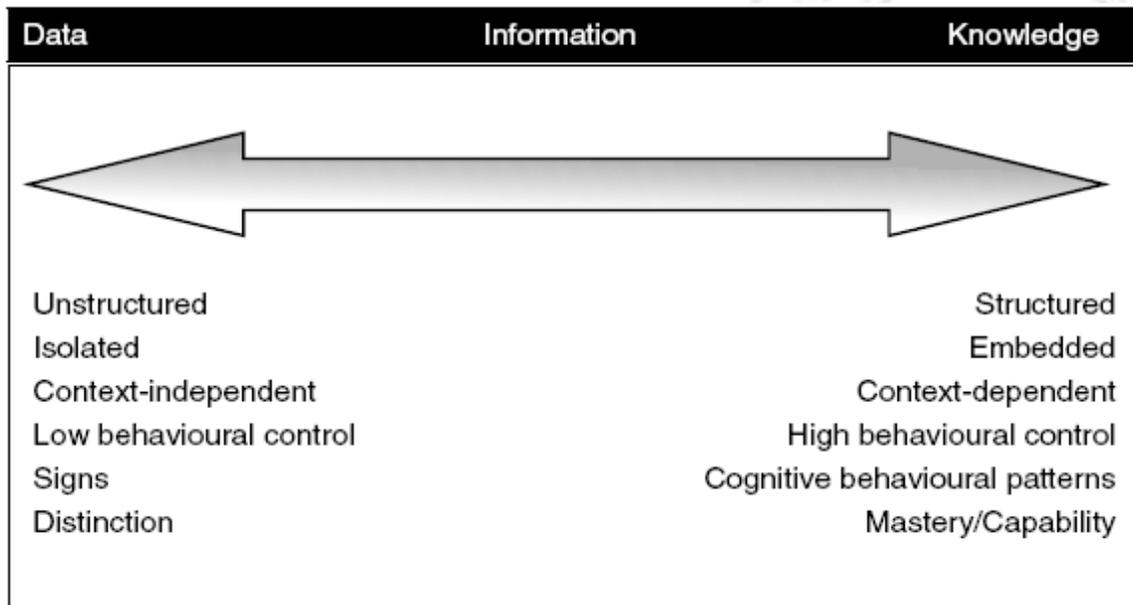


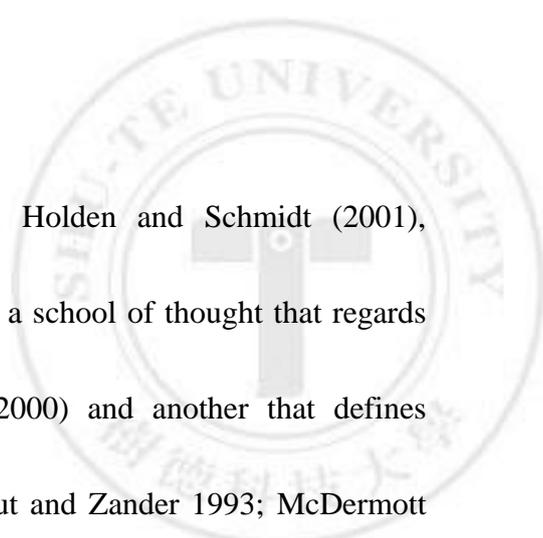
Figure 1. The continuum of data – information – knowledge

Source: Based on Probst, Raub and Romhardt (1999, p. 38).

A classification distinguishes between specific and general knowledge or divide knowledge into the three aspects (Hedlund 1994, p. 75):

1. Cognitive knowledge
2. Skills
3. Knowledge embodied in artifacts, e.g. products

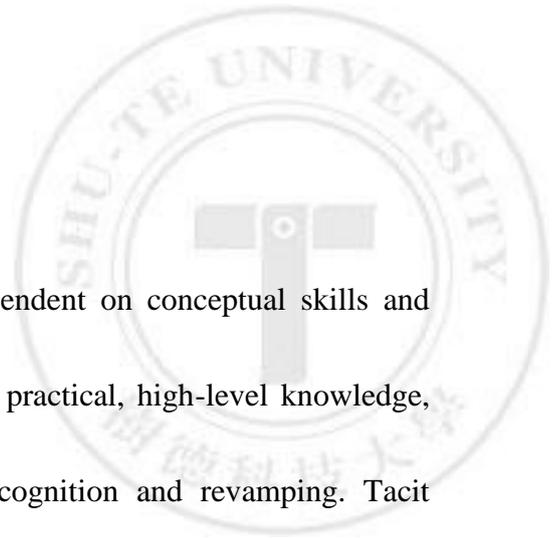
Cognitive knowledge comes in the form of mental constructs. It resides in the minds of people and is also denominated 'brainware' (Bennett and Gabriel 1999, p. 216).



Skills are competences and capabilities. Shin, Holden and Schmidt (2001), however, suggests that we should distinguish between a school of thought that regards knowledge as an object (cf. Zack 1999; Tenkasi 2000) and another that defines knowledge as an application-related process (cf. Kogut and Zander 1993; McDermott and O'Dell 2001).

Embodied knowledge: is action oriented and consists of contextual practices. It is more of a social acquisition; as how individuals interact in and interpret their environment creates this non-explicit type of knowledge.

Knowledge is a dominant feature in our post-industrial society, and knowledge-workers comprise an enterprise. If knowledge is the basis for all that we do these days, then gaining an understanding of what types of knowledge exist within an organization may allow us to foster internal social structures that will facilitate and support learning in all organizational domains. Blackler (1995) expands on a categorization of knowledge types that were suggested by Collins (1993), being: embrained, embodied, encultured, embedded and encoded. It is important to note that these knowledge types could be indicative of any organization, not just those that are knowledge-based heavy.



#### 2.1.1. Embrained knowledge

Embrained knowledge is that which is dependent on conceptual skills and cognitive abilities. We could consider this to be practical, high-level knowledge, where objectives are met through perpetual recognition and revamping. Tacit knowledge may also be embrained, even though it is mainly subconscious.

#### 2.1.2. Embodied knowledge

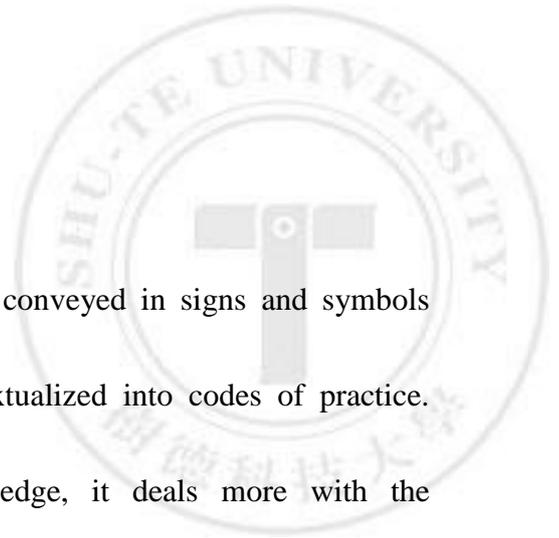
Embodied knowledge is action oriented and consists of contextual practices. It is more of a social acquisition; as how individuals interact in and interpret their environment creates this non-explicit type of knowledge.

#### 2.1.3. Encultured knowledge

Encultured knowledge is the process of achieving shared understandings through socialization and acculturation. Language and negotiation become the discourse of this type of knowledge in an enterprise.

#### 2.1.4. Embedded knowledge

Embedded knowledge is explicit and resides within systematic routines. It relates to the relationships between roles, technologies, formal procedures and emergent routines within a complex system.



#### 2.1.5. Encoded knowledge

Encoded knowledge is information that is conveyed in signs and symbols (books, manuals, data bases, etc.) and decontextualized into codes of practice.

Rather than being a specific type of knowledge, it deals more with the transmission, storage and interrogation of knowledge.

### **2.2. Explicit and Tacit Knowledge**

Knowledge is generally distinguished along two dimensions which go back to the philosopher Michael Polanyi (1966), who wished to criticize positivist science. The distinction refers to the kind of knowledge, and differentiates between explicit or articulated and tacit or implicit knowledge. Polanyi observed that skills could be exercised without the performer being able to fully account for their cognitive basis. He elaborated a theory according to which all actions included tacit and explicit elements of knowledge and that it was especially hard to articulate the tacit elements, and consequently to pass them on to others. Today, most researchers base their theories on this distinction of tacit and explicit knowledge. Table 1 shows the basic differences between tacit and explicit knowledge.

Table 1. Tacit and explicit knowledge

Tacit knowledge (Subjective)	Explicit Knowledge (Objective)
Knowledge of experience (body)	Knowledge of rationality (mind)
Simultaneous knowledge (here and now)	Sequential knowledge (there and then)
Analogue knowledge (practice)	Digital knowledge (theory)

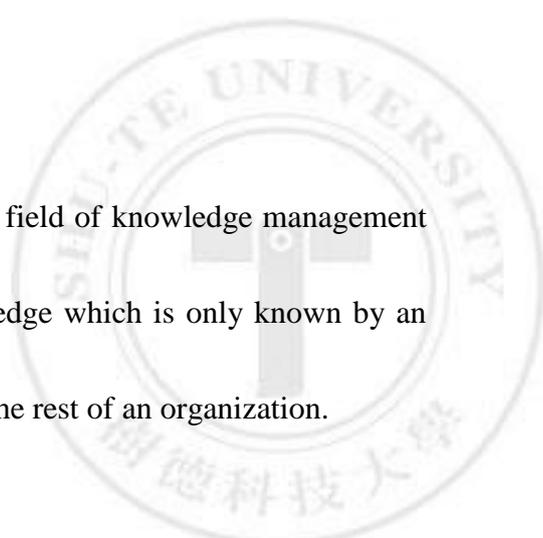
Source: Based on Nonaka and Takeuchi (1995, p. 36).

### 2.2.1. Tacit Knowledge

The concept of tacit knowing comes from scientist and philosopher Michael Polanyi. It is important to understand that he wrote about a process (hence tacit knowing) and not a form of knowledge. However, his phrase has been taken up to name a form of knowledge that is apparently wholly or partly inexplicable.

With tacit knowledge, people are not often aware of the knowledge they possess or how it can be valuable to others. Tacit knowledge is considered more valuable because it provides context for people, places, ideas, and experiences. Effective transfer of tacit knowledge generally requires extensive personal contact and trust.

Tacit knowledge is not easily shared. One of Polanyi's famous aphorisms is: "We know more than we can tell." Tacit knowledge consists often of habits and



culture that we do not recognize ourselves. In the field of knowledge management the concept of tacit knowledge refers to a knowledge which is only known by an individual and that is difficult to communicate to the rest of an organization.

### 2.2.2. Explicit Knowledge

Knowledge that is easy to communicate is called explicit knowledge.

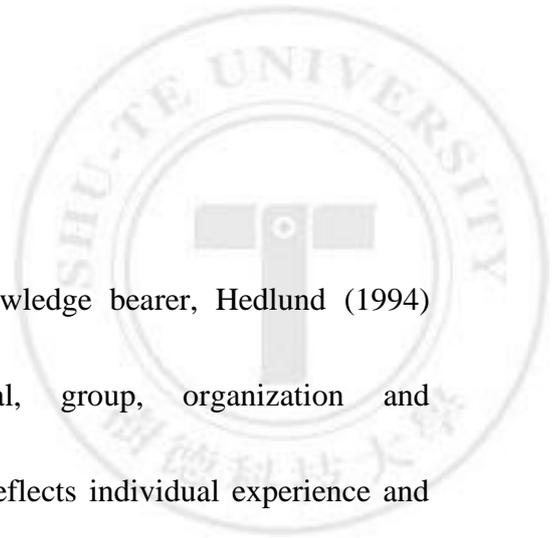
According to Koskinen (2004), explicit knowledge, unlike tacit knowledge, can be embodied in a code or a language, and, as a consequence, it can be communicated easily. The code may be words, numbers, or symbols like grammatical statements, mathematical expressions, specifications, manuals, and so forth.

Explicit knowledge consists of some systematic language and is codified through words, numbers and codes (Hedlund 1994). This codification makes it amenable to transfer (Riesenberger 1998).

## 2.3. Externalization

The process of transforming tacit knowledge into explicit knowledge is known as codification or articulation ( Birkinshaw, 2001).

According to Nonaka, Takeuchi and Umemoto (1996), the conversion from tacit knowledge to explicit knowledge is termed as externalization.



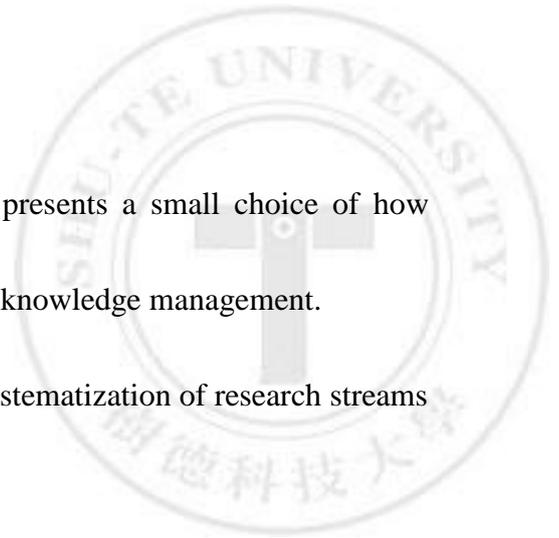
## **2.4. Organizational and individual knowledge**

According to the ontological level of the knowledge bearer, Hedlund (1994) distinguishes among the levels of individual, group, organization and inter-organizational domains. Individual knowledge reflects individual experience and constitutes the basis for the development of organizational knowledge. Organizational knowledge is embedded knowledge and comprises belief systems, collective memories, references and values. It ‘resides in the relations between individuals, and is therefore more than the sum of individual knowledge bases’ (Kriwet 1997, p. 83). The inter-organizational domain comprises suppliers and customers (Hedlund 1994). Seen from an even broader perspective, the term “social knowledge” addresses knowledge residing within groups of people.

The tension between individual and organizational knowledge is especially critical to the firm as a knowledge integrating institution. As such, knowledge has to be managed as resource.

## **2.5. Knowledge Management**

Apart from any interest in knowledge for economic theory building, there is the question of how to manage knowledge in organizations. A multitude of definitions for



knowledge management can be found, and Table 2 presents a small choice of how prominent researchers in the field have conceptualized knowledge management.

Von Krogh and Venzin (1995) suggest a useful systematization of research streams in knowledge management:

1. Knowledge management models
2. Knowledge, conversation, cooperation
3. Measurement and assessment of knowledge
4. Knowledge transfer
5. Knowledge structures
6. Epistemology
7. Knowledge and information technology
8. Knowledge and power
9. Knowledge, networks, and innovation

Table 2. Definitions of knowledge management

Source	Definition
Birkinshaw (2001, p. 12)	Knowledge management can be seen as a set of techniques and practices that facilitates the flow of knowledge into and within the firm.

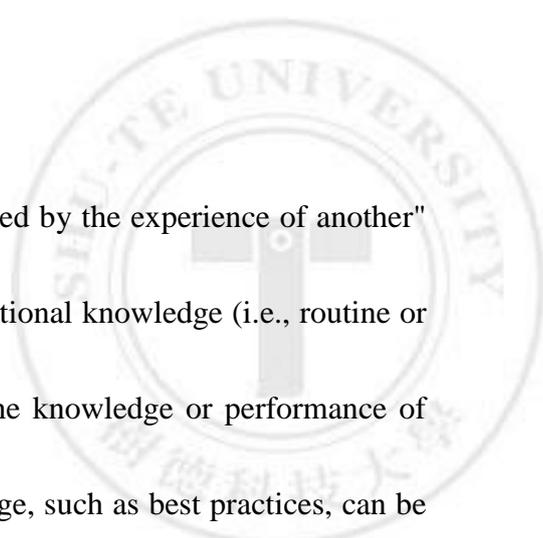
Buckley and Carter (1999, p. 82)	Knowledge management contains ‘the internal mechanisms for coordination, that is, for pooling the key information garnered by managers whose task it is to monitor external volatility and discover new opportunities’.
Davenport et al. (2001, p. 117)	Knowledge management is ‘the capability to aggregate, analyze, and use data to make informed decisions that lead to action and generate real business value’.
Demarest (1997, p. 379)	Knowledge management is the systematic underpinning, observation, instrumentalization, and optimization of the firm’s knowledge economies.
Leonard-Barton (1995, p. xiii)	The primary engine for the creation and growth and of technological capabilities is the development of new products and processes, and it is within this development context that we shall explore knowledge management . . . The management of knowledge, therefore, is a skill, like financial acumen, and managers who understand and develop it will dominate competitively.
Malhotra (1998, p. 59)	Essentially, it embodies organizational processes that seek synergistic combination of data and information processing capacity of information technologies, and the creative and innovative capacity of human beings.
Stewart et al. (2000, p. 42)	The premise is that knowledge assets, like other corporate assets, have to be managed in order to ensure that enterprises

	derive value from their investment in knowledge assets.
Tsoukas and Vladimirou (1996, p. 973)	Knowledge management 'is the dynamic process of turning an unreflective practice into a reflective one by elucidating the rules guiding the activity of the practice, by helping give a particular shape to collective understandings, and by facilitating the emergence of heuristic knowledge'.

## 2.6. Knowledge transfer

Knowledge transfer in the fields of organizational development and organizational learning is the practical problem of transferring knowledge from one part of the organization to another (or all other) parts of the organization. Like Knowledge Management, Knowledge transfer seeks to organize, create, capture or distribute knowledge and ensure its availability for future users. It is considered to be more than just a communication problem. If it were merely that, then a memorandum, an e-mail or a meeting would accomplish the knowledge transfer. Knowledge transfer is more complex because (1) knowledge resides in organizational members, tools, tasks, and their sub-networks (Argote & Ingram, 2000) and (2) much knowledge in organizations is tacit or hard to articulate (Nonaka & Takeuchi, 1995). The subject has been taken up under the title of Knowledge Management since the 1990s.

Argote & Ingram (2000) define knowledge transfer as "the process through which



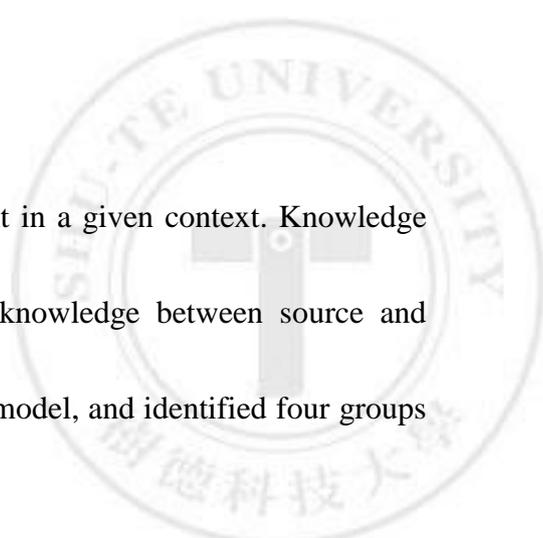
one unit (e.g., group, department, or division) is affected by the experience of another" (p 151). They further point out the transfer of organizational knowledge (i.e., routine or best practices) can be observed through changes in the knowledge or performance of recipient units. The transfer of organizational knowledge, such as best practices, can be quite difficult to achieve.

It has already been pointed out that the knowledge transfer process is quite complex in itself, and on a broad level, two general approaches can be distinguished: the communication model and the knowledge spiral model (Inkpen and Dinur 1998).

#### 2.6.1. Knowledge transfer as a communication model

The classical communication model (Shannon and Weaver 1957) depicts messages' flow from a sender to a recipient. While parts of the message are likely to be transformed or even destroyed by 'noise', it is important that the core of the message arrives at the sender. Two critical stages are the encoding phase, when the sender packages the message to fit the media, and the decoding phase, when the receiver has to decipher it again. A simplified model depicting only the building blocks of the Shannon and Weaver (1957) theory is shown in Figure 2.

Szulanski (1996) was among the first to introduce this concept into the knowledge management literature, conceptualizing knowledge transfer as a



message transmission from a source to a recipient in a given context. Knowledge transfer is thus seen as a dyadic exchange of knowledge between source and recipient. Inkpen and Dinur (1998) extended this model, and identified four groups of related factors:

1. Source-related factors
2. Recipient-related factors
3. Factors relating to the relationship and distance between the two units
4. Factors related to the nature of the knowledge transferred.

Four stages are then necessary for the transfer process:

- a) Initiation: transferred knowledge is recognized.
- b) Adaptation: knowledge is changed at the source location to the perceived needs of the recipient.
- c) Translation: alterations occur at the recipient unit as a part of the general problem solving process of adaptation to the new context.
- d) Implementation: knowledge is institutionalized to become an integral part of the recipient unit.

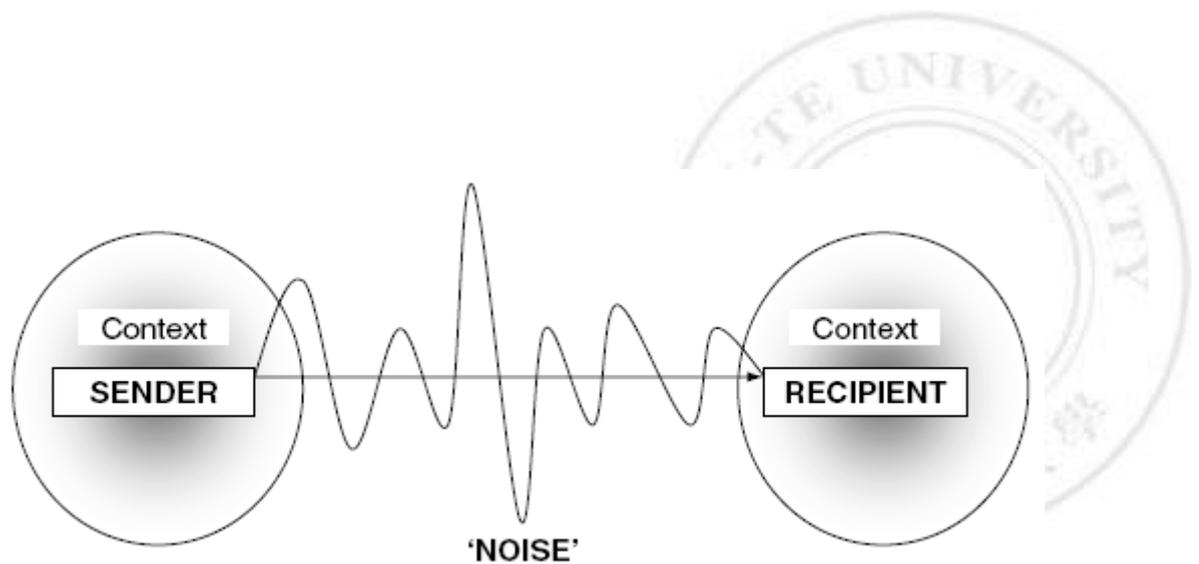


Figure 2. A simplified communication model

Source: Based on Shannon and Weaver (1957)

Although this process is quite easy to understand at first glance, it becomes quite complex at the organizational level when eligible senders and recipients have to be defined. To shed some light on this issue, Sveiby (2001, p. 349) identified nine different knowledge transfers, which are depicted in Figure 3.

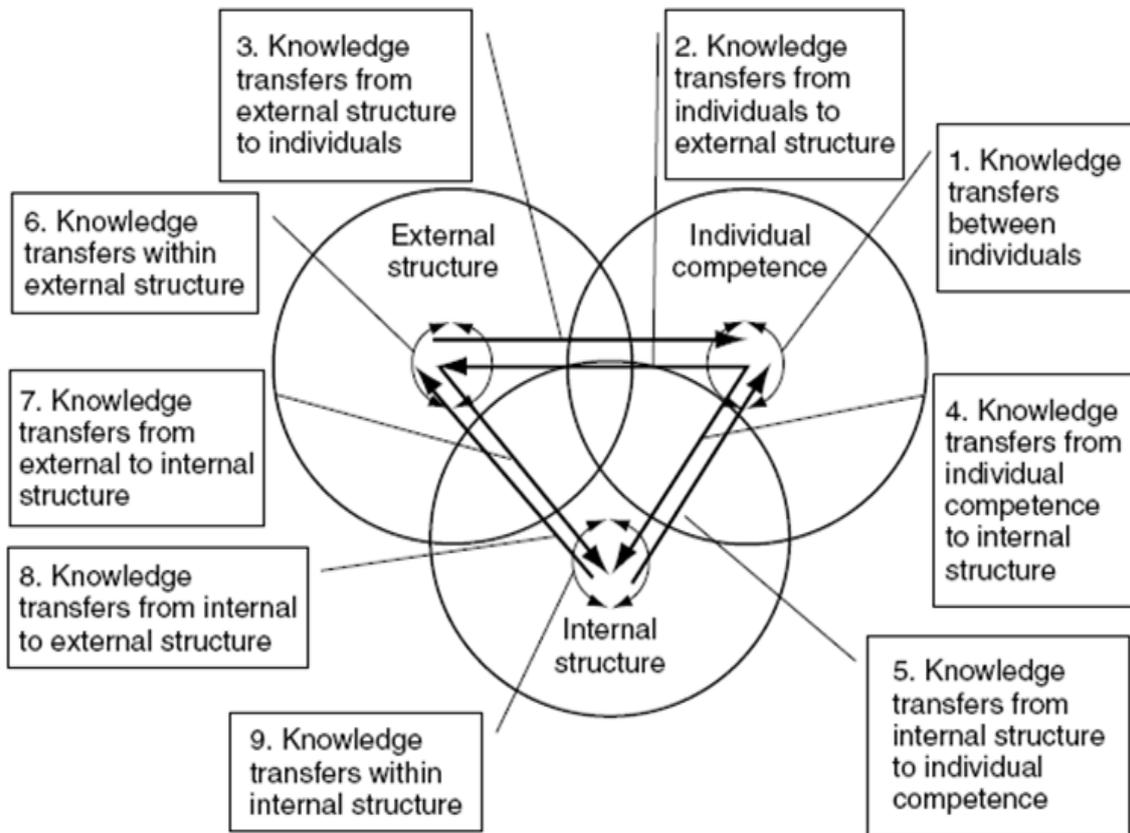
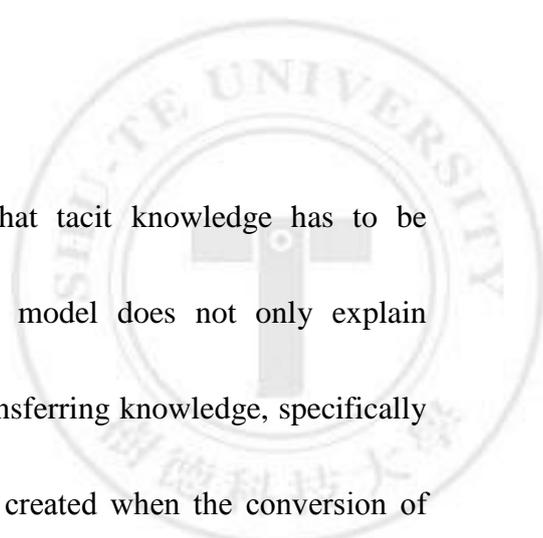


Figure 3. Nine knowledge transfers

Source: Sveiby (2001, p. 349)

### 2.6.2. The spiral of knowledge

Nonaka and Takeuchi (1995) attribute the success of Japanese companies to their effectiveness in creating knowledge. In their pioneering work the authors propose a model of knowledge creation – the spiral of knowledge (Figure 4). They build on the epistemological dimension of explicit and tacit knowledge and on the ontological dimension which symbolizes the number of people involved in the process.



The core assumption of this model is that tacit knowledge has to be mobilized and converted. This means that the model does not only explain knowledge creation but describes processes of transferring knowledge, specifically the so-called ‘conversion’ processes. A spiral is created when the conversion of tacit and explicit knowledge results in higher epistemological and ontological levels. Nonaka and Takeuchi (1995) identify four specific conversion processes:

1. Socialization (tacit to tacit): Individuals exchange tacit knowledge without codifying it during the transfer phase, e.g. shared mental models, technical skills.
2. Externalization (tacit to explicit): In this process, tacit knowledge is made explicit by codifying it in the form of metaphors, analogies, hypotheses, models, etc. Through such a transformation personal knowledge can be made available on a corporate-wide basis. Externalization is thus the most important process for knowledge creation.
3. Combination (explicit to explicit): Through combination, concepts are systematized within a knowledge system. Existing elements of knowledge are combined in order to create new explicit knowledge. Several media support combination, e.g. documents, meetings, phone calls.

4. Internalization (explicit to tacit): The conversion of explicit into tacit knowledge is called ‘internalization’, meaning that incoming knowledge is integrated into an individual’s knowledge base.

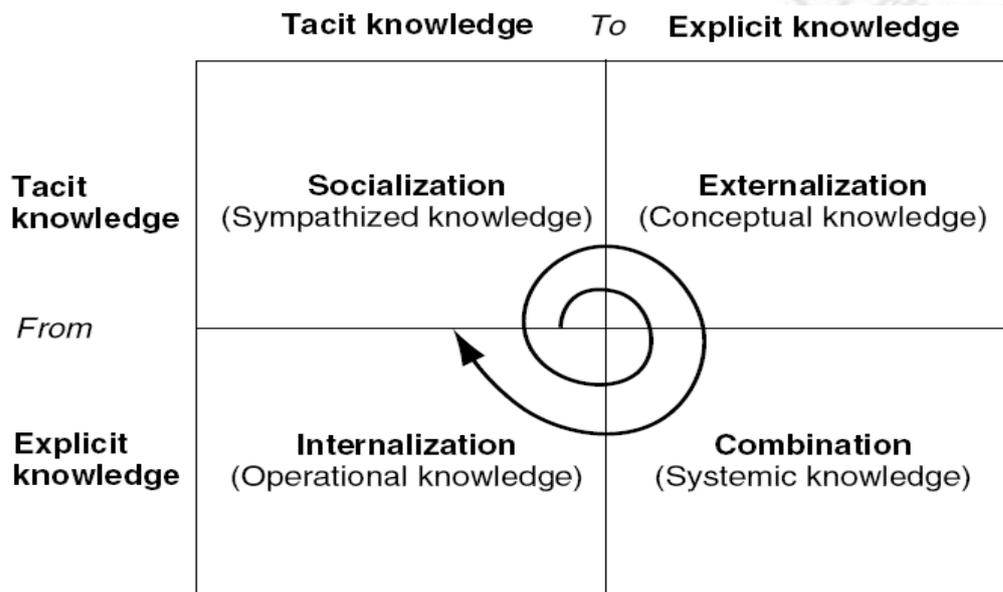


Figure 4. The knowledge spiral

Source: Nonaka and Takeuchi (1995, p. 62)

By combining these two models – the communication model and the knowledge spiral – the four knowledge conversion processes can also be seen as singular transfers between a sender and a recipient. This leads to the conclusion that every sending and every receiving unit has to engage in some of these processes in order to process the in-flowing or out-flowing knowledge. As

described in the communication model, it has to be remembered that no knowledge transfer is context-free.

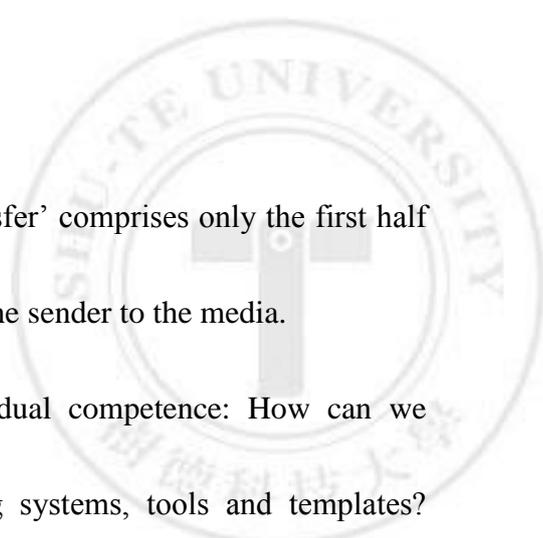
The idea of adapting the communication model to explain knowledge transfers not only between individuals but also between entities in global organizations is extremely useful for the development of the conceptual model in this study, and will be taken up later.

## Chapter 3 Methodology

### 3.1. Four Knowledge Transfers inside a Company

For this study, four of nine knowledge transfer processes are relevant (figure 5). It is important to note that a critical feature of modern knowledge management is the time-lag between sender and recipient. While Shannon and Weaver's (1957) communication model builds on a nearly simultaneous transfer, the knowledge transfer process can be interrupted and knowledge can be stored in the meantime. From a conceptual point of view, however, it is clear that every medium represents an intermediate storage device, so the approach is not that revolutionary:

1. Transfers between individuals: How can we improve the transfer of knowledge between people in our organization? This kind of transfer takes place in communication between employees, and here, the simplified model of communication can be applied. Issues such as trust and exposure to different kinds of expertise in the company are important.
2. Transfers from individual competence to internal structure: How can we improve the conversion of individually held competence to systems, tools and templates? When knowledge of individual competences is stored in repositories, it becomes accessible in the organization's structure and can be



shared by everyone. This definition of ‘transfer’ comprises only the first half of the communication model, namely from the sender to the media.

3. Transfers from internal structure to individual competence: How can we improve individuals’ competence by using systems, tools and templates?

Employees’ capacity to act should be improved by knowledge accessible in the internal system. An important issue at this stage of transfer is the interface between humans and knowledge storage systems. Here, the second half of the communication process is depicted, the transition from the media to the recipient.

4. Transfers within the internal structure: The strategic question is how the organizations’ systems, tools and processes can be integrated effectively.

All transfer processes involving external senders or recipients are excluded from this study. The idea of adapting the communication model to explain knowledge transfers not only between individuals but also between entities in global organizations is extremely useful for the development of the conceptual model in this study.

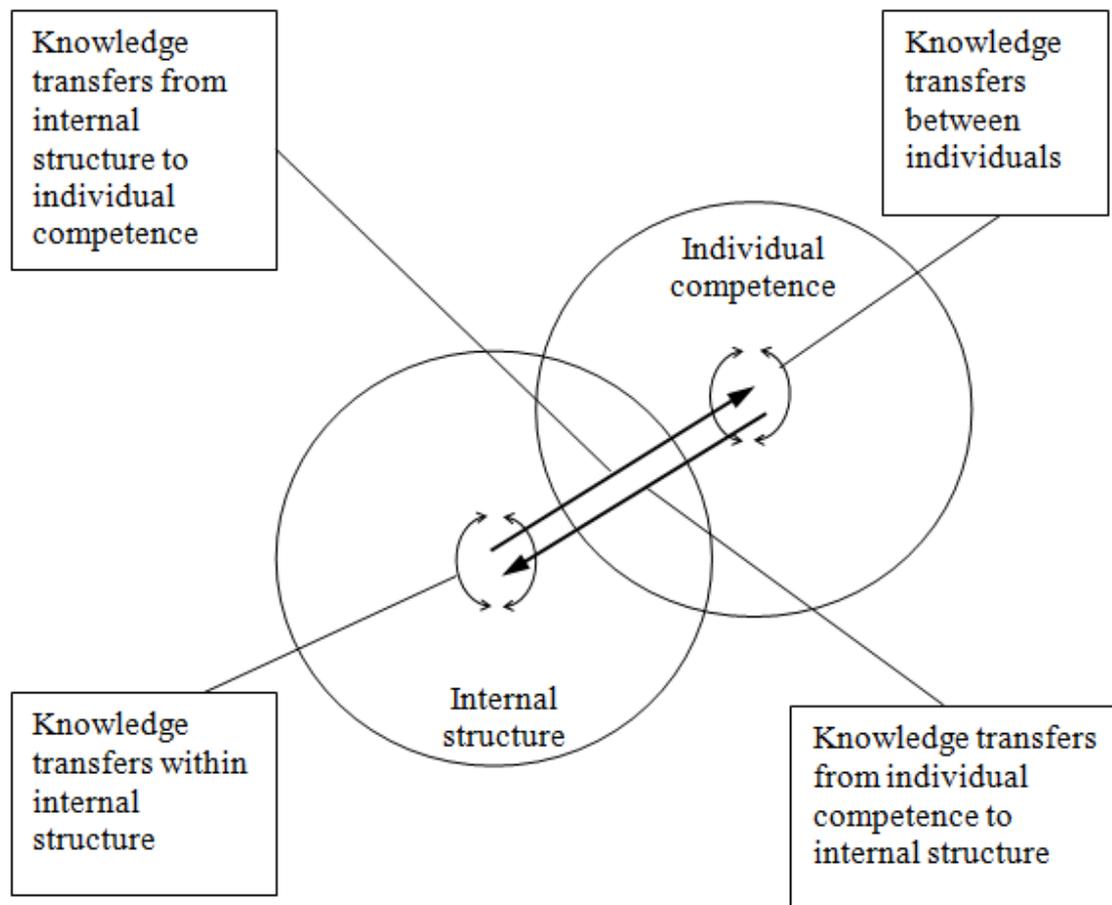
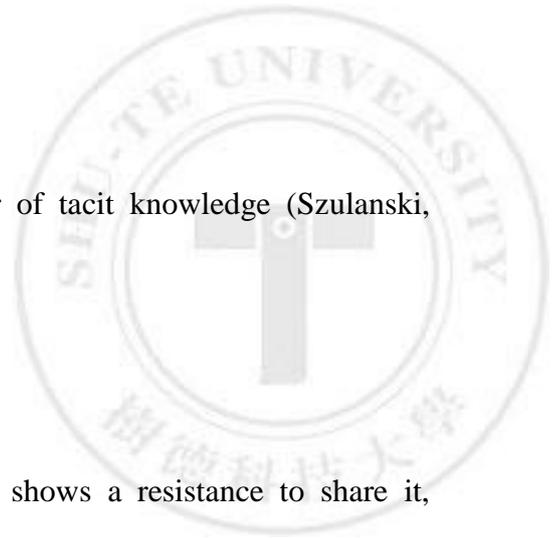


Figure 5. Knowledge transfer within a company

### 3.2. Factors Related to the Sender

#### 3.2.1. Motivation of the sender

The sender is the most important factor in the process of transfer knowledge; so, he has the aptitude to transmit the message and his desire to share it (Szulanski, 1996). Likewise, Prusak and Cohen (2001) asset that “strong relationships are the grease of an organization”, as they strongly increase people’s intrinsic motivation to cooperate (Osterloh and Frey, 2000). This intrinsic motivation and relationship



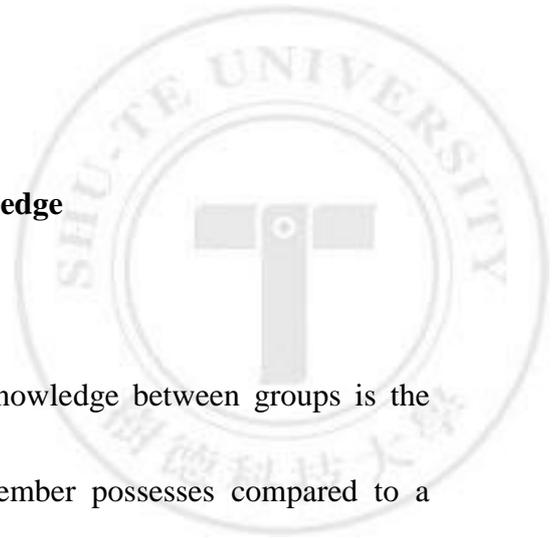
quality are especially important for the transfer of tacit knowledge (Szulanski, 1996).

### 3.2.2. Resistance of the Sender

Sometimes the owners of the knowledge shows a resistance to share it, which can owe to the fear of losing their property, a position of privilege or superiority (Davenport et al., 1998), or for lack of disposition to dedicate time and resources. In this sense Hansen (1999) explained that the absence of will and of aptitude to carry out can cause that the sender does not want to share his knowledge.

### 3.2.3. Reliability of the Sender

The difficulties in the process of the transfer knowledge can be due to the absence of perceived reliability of the sender. According to Szulanski (1996, 2000), when the sender is not perceived as reliable, is not seen as trustworthy or knowledgeable, initiating a transfer from that sender will be more difficult and his advice and example are likely to be challenged and resisted. Alternatively, if the knowledge is not perceived to be useful or does not have a proven record of usefulness, it also will be difficult to motivate the recipient to transfer (Szulanski, 2000; Wasko and Faraj, 2000).



### **3.3. Factors Related to the Characteristics of Knowledge**

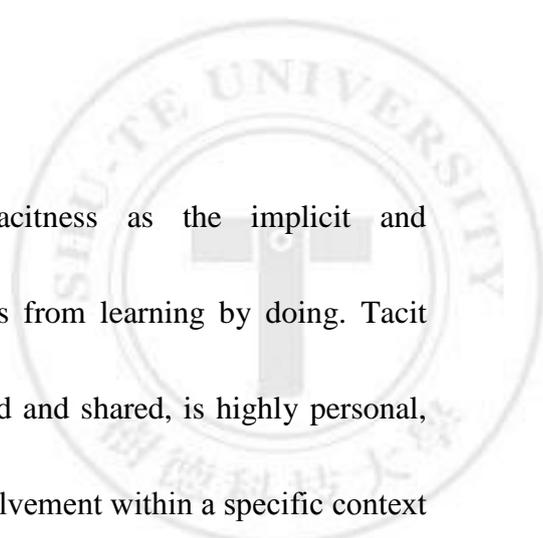
#### 3.3.1. Knowledge quality

A factor likely to affect the transfer of knowledge between groups is the relative quality of the knowledge a rotating member possesses compared to a group's existing knowledge. Although a recipient group's decision to accept a rotating member's knowledge might be affected by many factors, such as newcomer accommodation or conflict avoidance, we expected task-performing groups to be especially likely to accept and implement routines that they perceive to be superior to their current ones.

#### 3.3.2. Codification

As soon as the knowledge transfer is compromised, the sender will have to investigate which are the needs for the recipient unit and which are his problems in order to be able to transfer the suitable components of the required knowledge, and give the necessary support during the initial stage of his use and his codification (Szulanski, 1996). The codification is the process by which the knowledge is represented in a code that could be transferred (Ruggles, 1997).

#### 3.3.3. Tacitness



Reed and DeFillippi (1990) define tacitness as the implicit and noncodifiable accumulation of skills that results from learning by doing. Tacit knowledge, which cannot be easily communicated and shared, is highly personal, deeply rooted in action and in an individual's involvement within a specific context (Nonaka, 1994). The collective tacit knowledge typically resides in top management schemes, organizational consensus on past collaborative experiences, firm routines, firm culture, and professional culture (Nelson and Winter, 1982; Nonaka and Takeuchi, 1995).

#### 3.3.4. Complexity

Complexity refers to the number of interdependent technologies, routines, individuals, and resources linked to a particular knowledge or asset (Simonin, 1999). As Reed and DeFillippi (1990) argued more complex human or technological systems produce higher levels of ambiguity and, therefore, restrain imitation. The full information spectrum of a particular competence may span across numerous individuals and departments so that the totality of the knowledge cannot be easily integrated or understood by many individuals (Simonin, 1999). According to Mosakowski (1997), there is a causal ambiguity due to the

interdependences that exist between the units organizational. When the knowledge is independent, the transference happens without problems (Hansen, 1999).

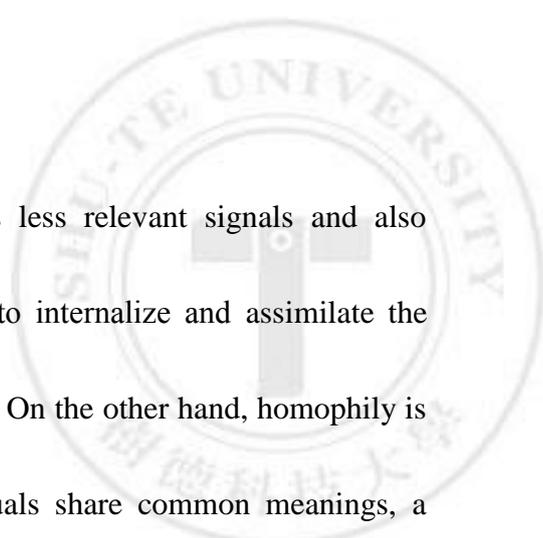
### **3.4. Factors Related to the Characteristics of the Recipient**

#### 3.4.1. Motivation of the recipient

Not only is the grade of interest of the source a very important variable of the knowledge transfer, but also the motivation of the recipient. As Szulanski (1996) argued, the motivation of the recipient to accept knowledge proceeding from an external source, and to commit itself in the achievement of the activities, it can be a critical in the success of the transference. Lack of motivation may result in foot dragging, passivity, feigned acceptance, hidden sabotage, or outright rejection in the implementation and use of new knowledge.

#### 3.4.2. Absorptive capacity

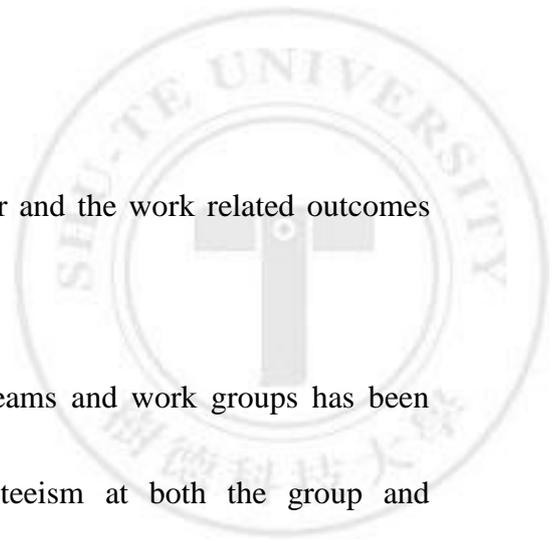
Absorptive capacity was defined by Cohen and Levinthal (1990) as “the ability of a firm to recognize the value of new information, assimilate it, and apply it to commercial ends”. There are at least two reasons why absorptive capacity may differ across organization: first, the extent of prior related knowledge, and, second, the extent of inter-unit homophily of receiving unit regarding the sending unit. Prior related knowledge is important because it shapes the filters through which the



organization differentiates between more versus less relevant signals and also because it determines the organization's ability to internalize and assimilate the more valued signals (Cohen and Levinthal, 1990). On the other hand, homophily is important because when the interacting individuals share common meanings, a mutual sub-cultural language, and are alike in personal and social characteristics, the communication of new ideas is likely to have greater effects in terms of knowledge gain, attitude formation and overt behavior change (Rogers, 1995).

#### 3.4.3. Generational differences

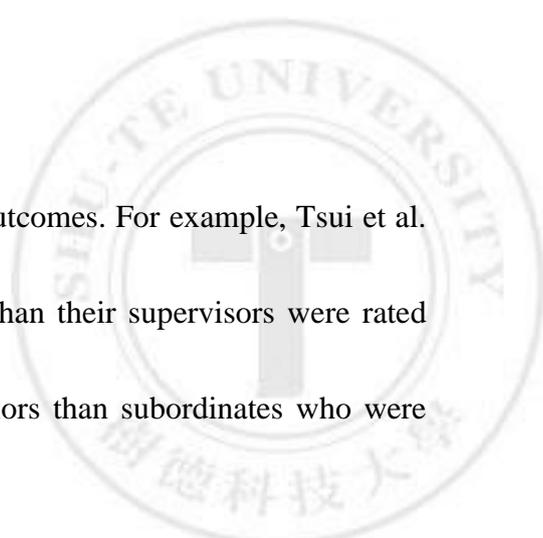
Due to the aging of the U.S. workforce and to the clearly differentiated characteristics of the generations that comprise it (veterans; baby-boomers ;...), more attention is being paid to how workers of different generations and ages work together. Work teams have become increasingly age diverse and it is more likely today than in years past that an older employee will report to a younger supervisor. A recent survey conducted by the Society for Human Resource Management found that in organizations with 500 or more employees, 58% of HR professionals reported conflict between younger and older workers, largely due to their different perceptions of work ethics and work/life balance. What are the implications of an increasingly age diverse workplace for how teams and individuals (peers,



supervisors and their subordinates) work together and the work related outcomes they produce?

While age diversity in top management teams and work groups has been shown to reliably predict turnover and absenteeism at both the group and individual-within-group levels (Cummings, Zhou, & Oldham, 1993; Jackson et al., 1991; O'Reilly et al., 1989; Riordan, 2000; Tsui, Egan and O'Reilly, 1992; Wagner et al., 1984; Wiersema & Bird, 1993; Williams & O'Reilly, 1998), there is little evidence that it influences group performance (Webber & Donahue, 2001; Williams & O'Reilly, 1998). Additionally, there is mixed evidence that a group's age diversity influences group processes such as communication, conflict, and cohesion (e.g., O'Reilly, Caldwell, and Barnett, 1989; Pelled, Eisenhardt, & Xin, 1999; Webber & Donahue, 2001). As a result, we understand little about the processes by which group level diversity impacts group level outcomes.

Additionally, there is little consistent evidence that age similarity between supervisors and subordinates positively influences interpersonal liking and performance measures (Liden et al., 1996; Shore, Cleveland, & Goldberg, 2003; Tsui & O'Reilly, 1989; Vecchio, 1993). However, there is some evidence that certain age differences (those that violate social norms or status associated with



age) have negative implications for subordinate outcomes. For example, Tsui et al. (2002) found that subordinates who were older than their supervisors were rated lower on task performance and extra role behaviors than subordinates who were younger or similar in age to their supervisors.

Age diverse groups are more likely to experience turnover and absenteeism. This is likely to have negative implications for knowledge transfer between group members and will pose difficulties for managers who oversee age diverse teams and work groups.

Managers will need training to understand the role that demographic differences play in how they manage their relationships with their subordinates. Older subordinates should be made aware of their own reactions to supervisors who are younger than they are.

### **3.5. Factors Related to the Characteristics of the Context**

#### **3.5.1. Cultural distance**

Culture distance is an important obstacle in the processing of knowledge transfer. According to Meschi (1997), most of the problems encountered in international joint ventures can be traced back to culture factors. From the alliance's inception onward, the partner's national and organizational cultures have the



potential to affect in depth all aspects of collaboration, including the process of knowledge management. Mowery et al. (1996) point to distance and culture differences between partners as key obstacles to inter-firm knowledge transfer.

### 3.5.2. The geographical distance

The fact that the parts are geographically near facilitates the knowledge transfer (Godkin, 1988). In this line, Epple et al. (1996) suggest that the geographical proximity influences positively the process of the transfer. This way, a major geographical proximity between the organizational units can suppose a major facility in the process of transference because it will be possible to establish a major number of personal contacts (Santoro and Gopalakrishman, 2000; Ojewale et al., 2001).

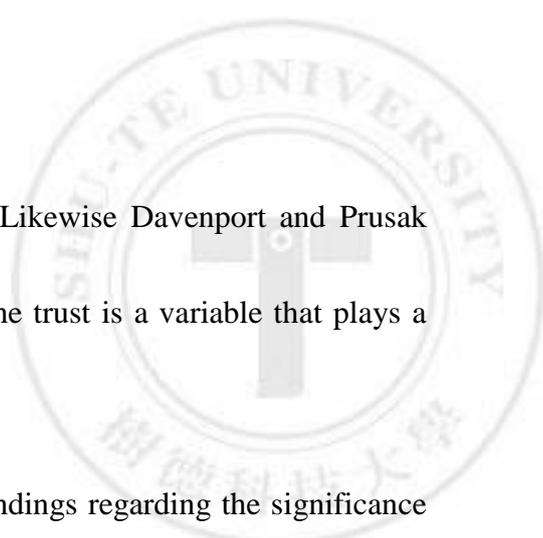
### 3.5.3. Trust

Trust is a very complex construct, with multiple levels, bases, and determinants (Rousseau, Sitkin, Burt & Camerer, 1998). The word is well known, and is frequently believed to be understood. Yet, throughout the years, trust has been defined in many different ways (e.g., Williamson, 1993; Zucker, 1986; Rotter, 1967). For instance, trust has been defined in terms of a personality trait (e.g., the propensity to trust; Rotter, 1967) but also has been defined as a behavior (e.g.,

trusting behavior; Mayer, Davis & Schoorman, 1995). Therefore, it is inappropriate to solely use the term “trust” and to assume its meaning is fully and properly understood.

The most commonly discussed knowledge management process with respect to trust is knowledge transfer (i.e., knowledge sharing). It is frequently commented that in order for people to be willing to share their knowledge, they must have trust (e.g., Davenport & Prusak, 1998; Podolny & Baron, 1997; Kramer, 1999). It has even been commented, “trust is, after all, the single most important precondition for knowledge exchange” (Rolland & Chauvel, 2000, p.239). More specifically, trust has been discussed as a prerequisite for tacit knowledge sharing (e.g., Roberts, 2000; Rolland & Chauvel, 2000).

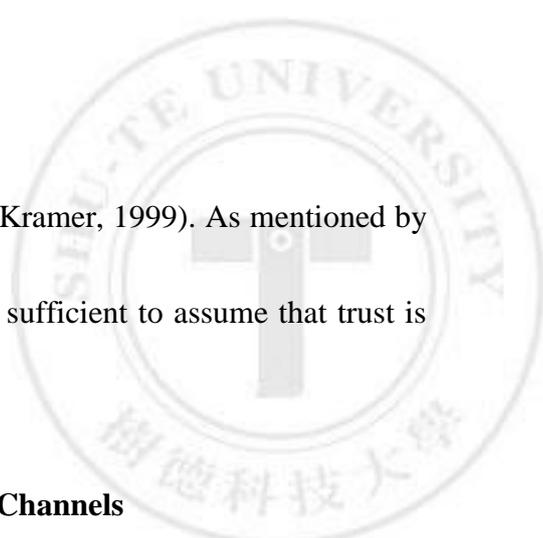
The relationship between the source and the recipient is likely to influence the individual’s cooperation and willingness to transfer knowledge. Hansen (1999); Levin and Cross (2004) demonstrated that strong ties are needed between the transfer participants for complex knowledge to be exchanged effectively. Transfer of knowledge, especially complex knowledge; require numerous exchanges, which in turn, depend on ease of communication and the intimacy of the overall relationship between the partners. An arduous relationship may create additional



hardship in the transfer (Szulanski, 1996, 2000). Likewise Davenport and Prusak (1998); Levin and Cross (2004) mentioned that the trust is a variable that plays a very important role inside the relation.

However, the relevance of trust (and the findings regarding the significance of the presence of trust) may be limited because of the uncertainty surrounding causal direction, as it has also been noted that the sharing of information also increases the level of trust (Bowles, 1999). In other words, as one shares information and knowledge with another individual, the perceived trust increases between these individuals. This implies that as people start sharing their knowledge because the company dictates it (and censures opportunistic behaviors), they will then start to feel interpersonal trust with those whom they share the information and knowledge. Therefore, interpersonal trust may not be required (as commonly believed) for the start of knowledge sharing, but it may develop as a result of knowledge sharing.

Sharing knowledge (and in particular tacit knowledge) is a risky behavior, as the individual does not know for certain how the knowledge will be used. Furthermore, the individual does not know for certain that the value that is associated with the knowledge will be transferred to the trustee. Therefore, to share



knowledge is to assume risk by both parties (e.g., Kramer, 1999). As mentioned by Mayer et al. (1995), the assumption of risk is not sufficient to assume that trust is required.

### **3.6. Factors Related with Richness of Transmission Channels**

#### **3.6.1. Communication face to face**

Communication is the process of giving and receiving information (Tsang, 2002). The grade of codification of the knowledge transfer is a critical factor when deciding the type of mechanism that is going to be used in the transference.

Richer transmission channels improve communication between transfer partners, resulting in greater success in knowledge transfer. This may be achieved by establishing corporate socialization mechanisms (Gupta and Govindarajan, 2000), as previously stated, and by using implementation strategies such as managing personnel selection, pre-transfer training, and higher quality of documentation (Galbraith, 1990).

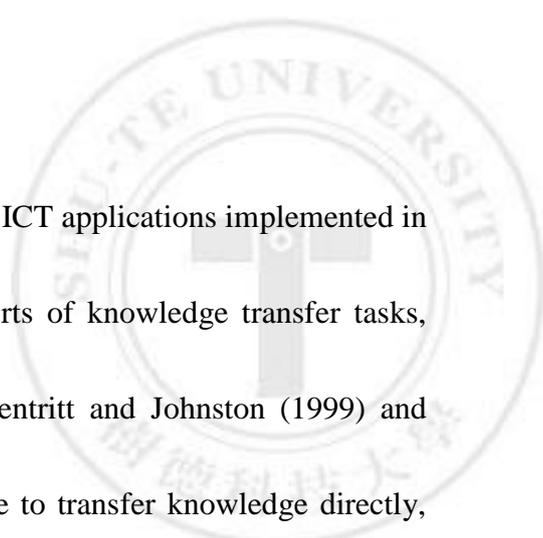
In this line, Van Den Hooff and de Ridder (2004); Moffett et al. (2003); Zarraga and García - Falcon (2003), mentioned that the communication face to face is the most important factor to transfer the knowledge. On the other hand, the explicit knowledge can be transferred across mechanisms more centred on the

technology, structured processes and systems of information; therefore, there will be a minor interaction between the sender and the recipient.

### 3.6.2. Information and Communication Technology (ICT)

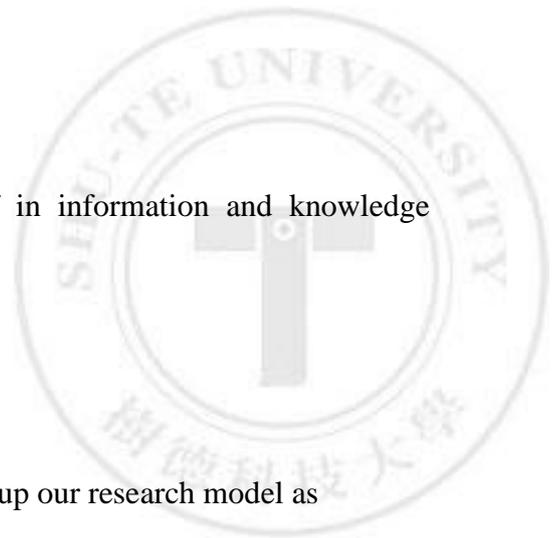
One of the most powerful forms of informal networks is the new ICT. Their employment in the company allows the communication between all the persons. The technologies have the potential to eliminate significant barriers to the communication. The barriers of time and space can be overcome as well as the organizational barriers due to the hierarchy or the departments. The influence of the ICT in knowledge transfer has been investigated very much lately by many researchers, such as Moffett et al. (2003); Roberts (2000); Cabrera et al. (2006); Albino (2004). In this context, Kwan and Cheung (2006) mentioned that the technological hardware is applicable for supporters of the knowledge transfer, because the efficacy of the transference of the knowledge can be improved to increase the transfer and diminish the costs due to the time and at the distance (Albino et al., 2004).

Researchers may have no doubts about the ability and efficiency of ICT in facilitating explicit knowledge transfer, but they may debate on the transferability of tacit knowledge through ICT.



Bolisani and Scarso (1999) studied cases of ICT applications implemented in Italy and argued that ICT can accomplish all sorts of knowledge transfer tasks, including the transfer of tacit knowledge. Blumentritt and Johnston (1999) and Boutellier et al. (1998) argue that ICT is not able to transfer knowledge directly, but can assist the transfer process. They believe that ICT actually transfers the information but information will be decoded into knowledge by the receiver. Empirical evidence from ICT supported international virtual NPD projects by, Cummings and Teng (2003) led them to argue that ICT is effective at facilitating codified knowledge transfer but could not transfer related 'sensory information', such as feelings, intuition, and non-verbal communications. Roberts (2000) predicts that future advanced ICT may provide the context at the same as richness of face-to-face contact, which may really see the 'death of distance'.

In the context of studying ICT supported knowledge transfer, it is argued that importance needs to be attached to both information and communication. From one perspective the knowledge transfer process could be regarded as the process of communication (Shin, 2001). Furthermore, communication is fundamental to knowledge transfer (Riusala and Suutari, 2004) and to all knowledge management process (Quintas, 2002). The theoretical basis of communication study should



therefore not be undervalued in the context of information and knowledge management.

### 3.7. Research Model

Based on above theoretical background, we come up our research model as

following (Figure 6). Our model has 15 factors related to knowledge transfer in a

company divided into 5 groups.

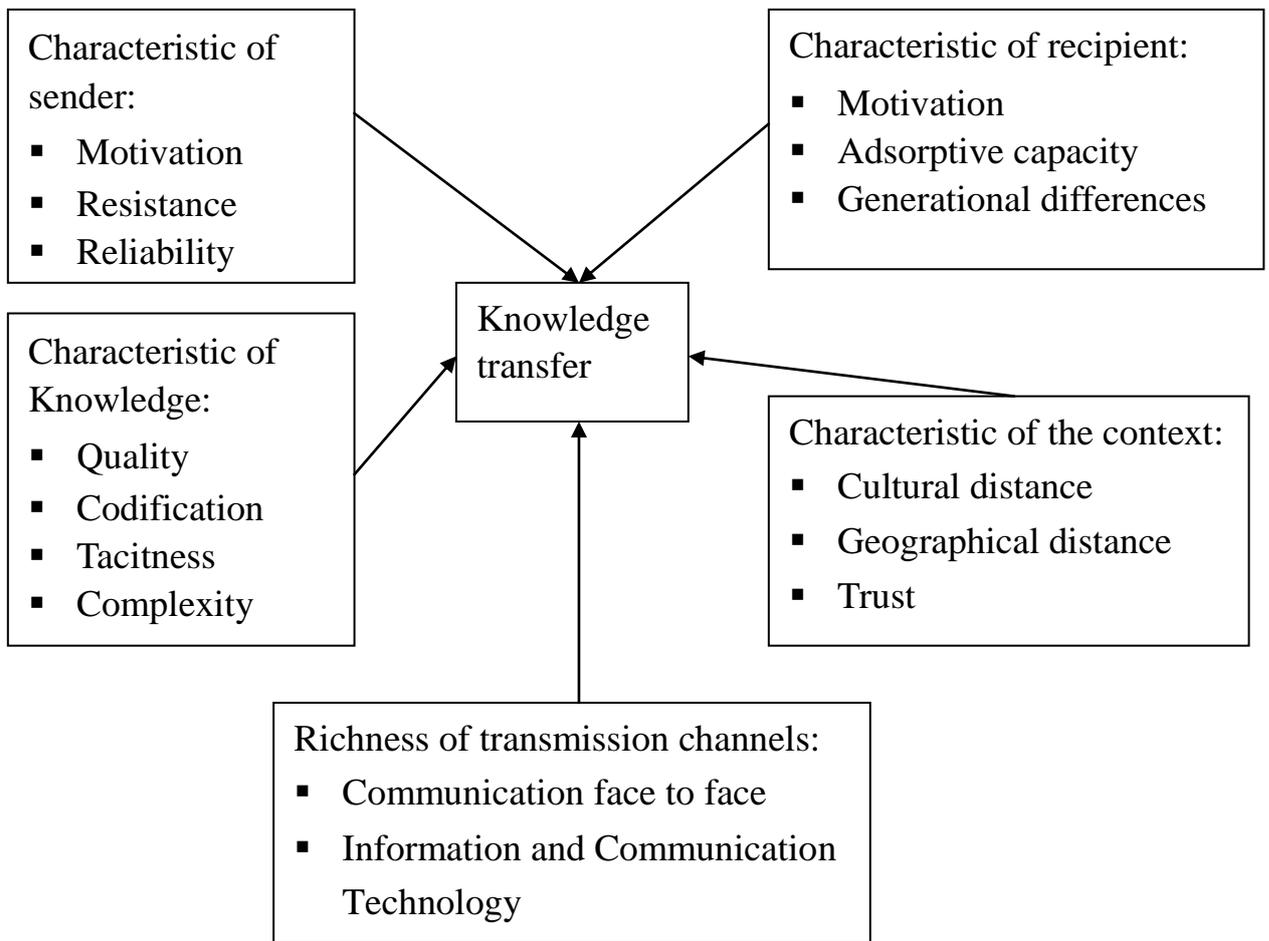
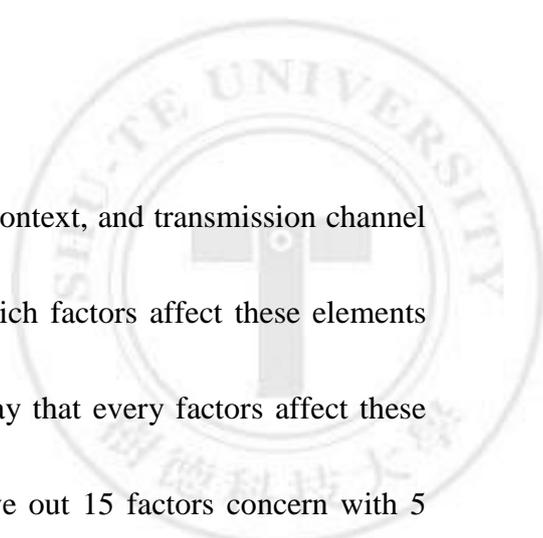


Figure 6. Research Model

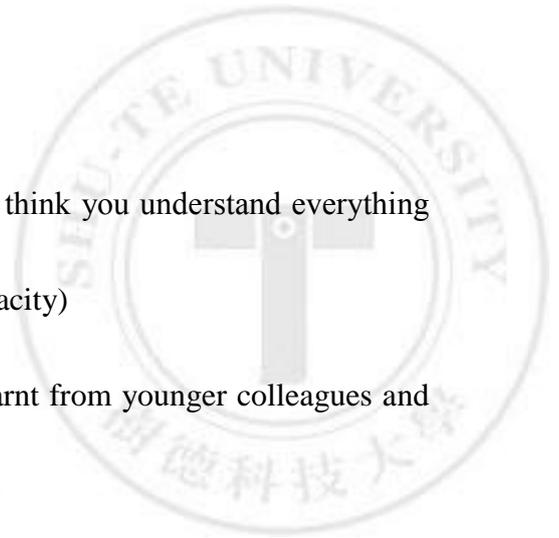


We know that sender, recipient, knowledge, the context, and transmission channel are elements of knowledge transfer. It means that which factors affect these elements also affects knowledge transfer. It is not true if we say that every factors affect these factors will impact on knowledge transfer. So we give out 15 factors concern with 5 elements and do the research. We do qualitative research to analyze how they affect knowledge. Then we give out some suggestion to improve knowledge in a company.

## Chapter 4 Interview Results

We design 10 questions based on the model from chapter 3. We just design 10 questions to conduct the research because I could analyze more than one factor from their result. These questions are:

1. Are you willing to share your knowledge with others? Please explain the reason why you answer “Yes” or “No”. (Motivation of the Sender)
2. When you share knowledge with somebody, what are you afraid of? (Resistance of the Sender)
3. Will you learn from newcomer? Please explain your answer. (Knowledge Quality)
4. After deciding to share with others, what do you prepare? (Codification)
5. Could you finish your job with the knowledge you learnt from your work place only? (Tacitness)
6. In your opinion, what difficulties will you have when you start a new job? (Complexity, Cultural distance)
7. Are you willing to learn from the others? Please explain your answer. (Motivation of the Recipient)



If your answer is “Yes”, please tell me you think you understand everything they share with you or not? (Absorptive Capacity)

8. What difficulties did you have when you learnt from younger colleagues and older colleagues? (Generational Differences)

9. Who are you willing to share knowledge inside your company? (Trust, The geographical distance)

10. How do you get knowledge from the others? (Transmission Channels)

We use these questions to interview five people who have had experience in work.

They are: Ngo Trung Bo, Phan Quoc Hieu, Nguyen Van Chung, Ha Huy Hung, Nguyen

Thi Vui. And their opinions in knowledge transfer in a company are as following:

**4.1. Are you willing to share your knowledge with others? Please explain the reason why you answer “Yes” or “No”.**

Mr. Bo: I am willing to share my knowledge related to my job to my colleagues because I believe that my knowledge should help others to perform their job better and boost their outcome.

Mr. Chung: Yes, I am. Because this help me have more close friends, close colleagues.

Mr. Hung: I am willing to share my knowledge with everybody in my company.

Sharing my knowledge, not only the others can learn from me but also I can learn many things from them, too.

Mr. Hieu: Yes, I am. Once I share my knowledge with others, especially with my friends, I feel that everybody will understand me more, and our friendship will be warmer, better.

Miss Vui: Yes, I am. Because when I share my knowledge, I can check my knowledge is right or wrong; I also learn more knowledge.

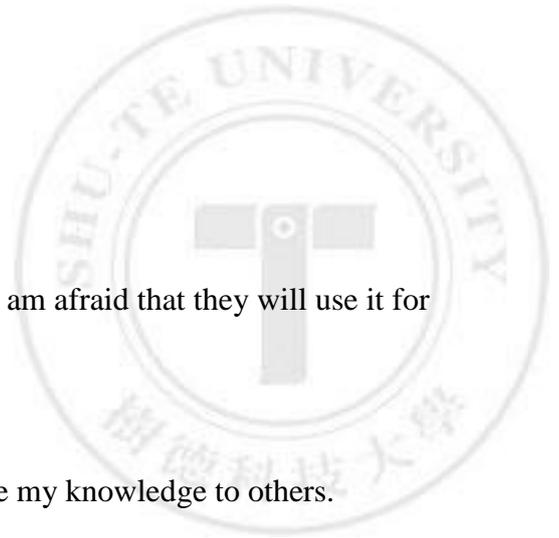
All interviewees want to share their knowledge because they think that their knowledge not only help themselves but also help the others. Certainly, everybody suppose that they will receive something once they share their knowledge. This proves that “motivation” factor affect knowledge transfer.

#### **4.2. When you share knowledge with somebody, what are you afraid of?**

Mr. Bo: I never worry about sharing my knowledge to others. Somebody think that once they share their knowledge to others, they maybe competed but in my opinion, when I share to them I also receive knowledge from them. A good manager not only needs good skills and knowledge but also needs a good personality.

Mr. Chung: I am not afraid of anything when I share my knowledge to others.

Mr. Hung: when I share my knowledge to others, I am afraid that my knowledge is



not actually accurate.

Mr. Hieu: when I share my knowledge to others, I am afraid that they will use it for bad purpose (for example: distorting...)

Miss Vui: I am not afraid of anything when I share my knowledge to others.

According to Hung and Hieu, there are resistance and reliability factors of the sender in knowledge transfer.

#### **4.3. Will you learn from newcomer? Please explain your answer.**

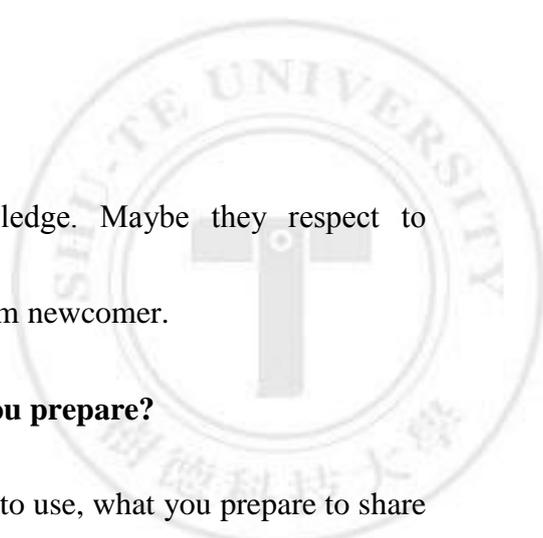
Mr. Bo: Yes, of course. I've experienced with this issue. Every people have two sides: strengths and weaknesses. New employees have their own strengths. I always look for their strengths to learn and help them overcome their weaknesses.

Mr. Chung: Yes, I will. Everybody have their own strengths, especially in their major. Furthermore, I can learn many other things from them.

Mr. Hung: Everyone have their own strengths. We could learn good things, new knowledge from them.

Mr. Hieu: I am willing. In my opinion, newcomers have their own new knowledge that I should learn.

Miss Vui: Yes, everyone have their own strengths. We could learn something from them, certainly.



All interviewees accept new member's knowledge. Maybe they respect to newcomer, but they only learn selective knowledge from newcomer.

#### **4.4. After deciding to share with others, what will you prepare?**

Mr. Bo: No matter with what methods you intend to use, what you prepare to share with them. For me, I am willing to share my knowledge and try my best to share to them in the honest way.

Mr. Chung: I will prepare specific examples to tell the recipients

Mr. Hung: First, I prepare the content. Second, I find out the easiest way for the recipient to understand.

Mr. Hieu: Words are the best tool to share our knowledge; therefore, I will prepare the best sentences and communication styles which are suitable for each situation. Grammar is also the food for thought!

Miss Vui: I will prepare my communication and narration skills.

Once transfer knowledge happens, the senders always want to choose the best way for the recipient to understand easily and fast. They have to think what recipient's needs are, what troubles they may meet.

**4.5. Could you finish your job with the knowledge you learnt from your work place only?**

Mr. Bo: How can we define the word “completion”? I want to refer to the level and the effectiveness of your “completion”. With my view, I don’t believe that I can complete my work effectiveness just with the knowledge I learnt from my company. I need more knowledge and information from friends, experts, and especially from my colleagues. So knowledge sharing seem play an important role for job performance.

Mr. Chung: No, because every kind of jobs have their own ways to solve.

Mr. Hung: It depends on each particular job. However, knowledge from work place is not enough.

Mr. Hieu: With the knowledge I got from my company, I will be able to finish my job well. However, each job and situation has its own characteristics, so learning knowledge beyond the company’s bolder also has a strong impact on my working ability.

Miss Vui: No, in my opinion, the knowledge I learn from the company is not enough to have my work perfectly done.

We know that everyone have their own tacit knowledge. The task of knowledge transfer is to make it explicit. Because tacit knowledge cannot be easily communicated



and share; exploiting it is not an easy task of manager.

**4.6. In your opinion, what difficulties will you have when you start a new job?**

Mr. Bo: I don't hesitate to answer that new skills and new knowledge of new job.

This difficulty makes me very confused.

Mr. Chung: I need time to learn new things from new job.

Mr. Hung: I worry if I have enough knowledge and ability for my job.

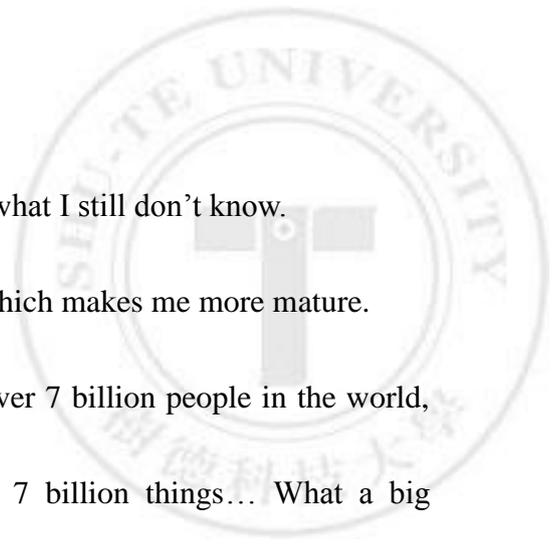
Mr. Hieu: In my viewpoint, the biggest problem is the company's culture. Each company has its own culture for example; a manufacturing company is different from a school.

Miss Vui: Because of working in a new environment, I don't know much about what I am going to do.

In their opinion, the most difficult problem is new environment, unclear information about what they have to face. They are not afraid of the more complex human or technological systems. Hieu is afraid of company's culture. In fact, cultural distance is a problem of knowledge transfer.

**4.7. Are you willing to learn from the others? Please explain your answer.**

Mr. Bo: I am willing to learn new knowledge and skills from others. This helps me better in solving the problems and performing my works.



Mr. Chung: I am willing to learn from the others what I still don't know.

Mr. Hung: It is a necessity to learn from others, which makes me more mature.

Mr. Hieu: Yes, I am. Let us consider, there are over 7 billion people in the world, from each person I learn 1 thing; therefore, I gain 7 billion things... What a big treasure!

Miss Vui: Of course, by earning knowledge from other people, I will enlarge my knowledge and be able to serve my job better and easier.

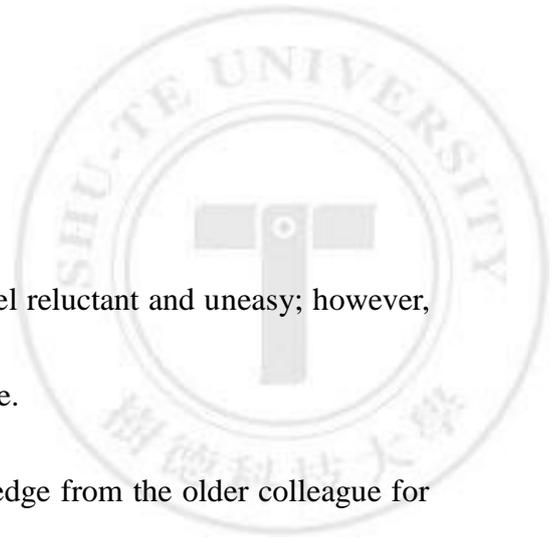
All interviewees want to learn from the others because they think that they will improve their performance from new knowledge. This explain what motivate employees try to learn many thing as much as possible.

#### **4.8. What difficulties did you have when you learnt from younger colleagues and older colleagues?**

Mr. Bo: The manner, absolutely. If I do not pay attention to my manner in sharing knowledge I should make the negative effects. They may think that you try to convince your abilities, your knowledge more superior than them.

Mr. Chung: I have some difficulties when I share knowledge with older colleague.

Mr. Hung: There is not any difficulty to share knowledge with younger colleagues. However with the older, the main point is embarrassment, so I have to find the most



suitable way.

Mr. Hieu: Sharing knowledge with the older, I feel reluctant and uneasy; however, with the younger, I feel more confident and comfortable.

Miss Vui: I just find it difficult to ask for knowledge from the older colleague for fear of being a trouble maker.

Generational differences are always a trouble in knowledge transfer. Indeed, employees usually feel difficult when they communicate with older colleagues.

#### **4.9. Who are you willing to share knowledge inside your company?**

Mr. Bo: I am willing to share what I know to everyone who want and need my knowledge.

Mr. Chung: With everybody concerned.

Mr. Hung: I am always prepared to share knowledge with my colleagues.

Mr. Hieu: In my company, I am always ready to share knowledge with the colleagues in the same department as mine.

Miss Vui: With those who I think credible and want to share knowledge with me.

This question we design to check “Trust” factor in knowledge transfer. At the beginning, we think that employees only share knowledge with persons who they trust, believe. We suppose that “motivation of the sender” factor affects employees who want

to share knowledge. This factor encourages them to share knowledge without trust.

These answers do not support “the geographical distance” factor clearly. In our opinion, there are two reasons: first, the question does not go into detail; second, the interviewees just share their knowledge with their colleagues, not outside recipients.

#### **4.10. How do you get knowledge from the others?**

Mr. Bo: I am trained new skills and new knowledge need for my job by my company. I try to learn from the colleagues and self-study.

Mr. Chung: By communicating, observing, and reading books.

Mr. Hung: By learning from my job, asking others, reading books and magazines.

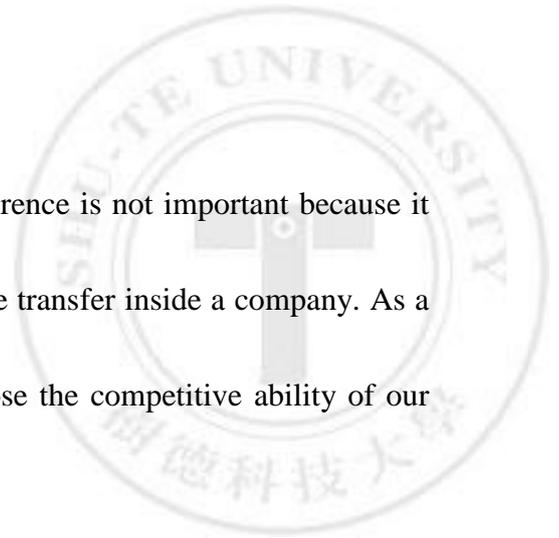
Mr. Hieu: Observing is the fastest and most effective way to gain knowledge.

Miss Vui: By observing and learning from my colleagues.

Communication face to face is the most important to knowledge transfer. Everybody try to observe others and learn from them. In our opinion, Information and Communication Technology is also an important way to transfer knowledge. But in this study, the interview result does not support this idea. Maybe the interviewees do not experience this way.

According to interview results, we conclude that the model we give out is suitable for companies to apply. Many interviewees agree with those factors. However the level

of their agreement is different from factors. This difference is not important because it proves that those factors actually impact on knowledge transfer inside a company. As a manager, we cannot ignore this; otherwise we will lose the competitive ability of our company.



## **Chapter 5 Conclusions and Discussion**

### **5.1. Conclusions**

Through literature research and theoretical analysis, this paper shows four knowledge transfers inside company. Basing on these knowledge transfers, this paper suggests fifteen affecting factors on knowledge transfer in a company with five separate groups. We interview to collect ideas. Then we analyze whether these factors affect knowledge transfer.

Identifying the factors that affect knowledge transfer is one of the most important processes in a company to transfer or share common knowledge of the organization. For this reason, this research will be very helpful for every organization and persons who interest in knowledge transfer. Depend on this study, they can broad the topic and find out the most suitable solution for their problem.

### **5.2. Limitations**

This study shows many factors that affect knowledge transfer in a company but this paper did not mention the kind of company that the author did the research; who were the objects in detail. The number of interviewees is limited, this is also a limitation.

### **5.3. Discussion**

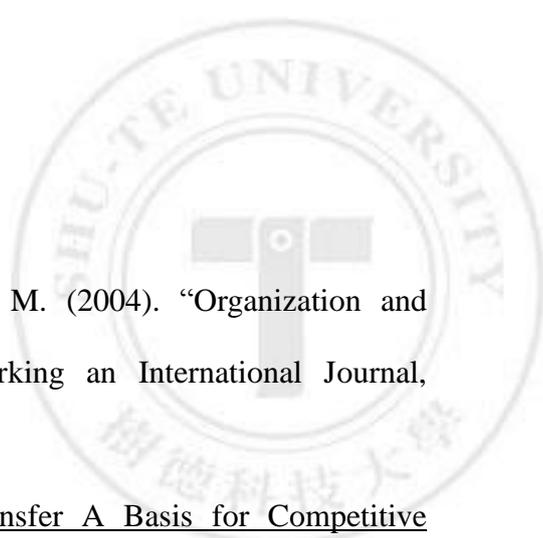
In the further research, we will do the empirical research. We will design

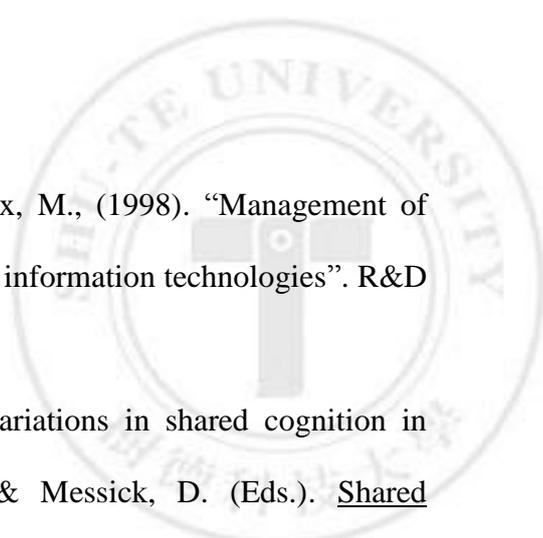
hypotheses. Data will be collected through a questionnaire survey from organizations.

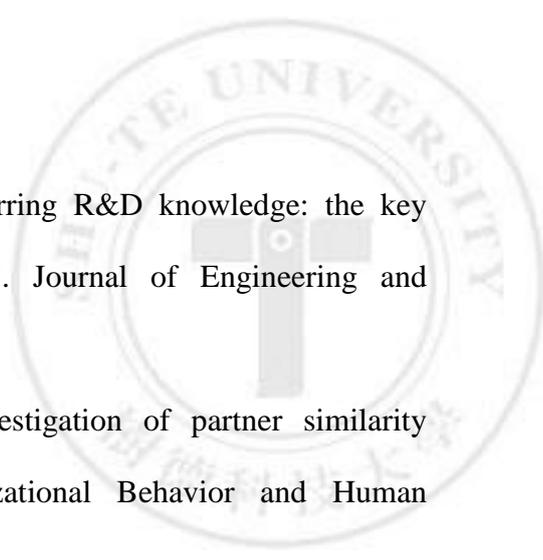
The questionnaires will be sent to employees. We will use SPSS to test the hypotheses.

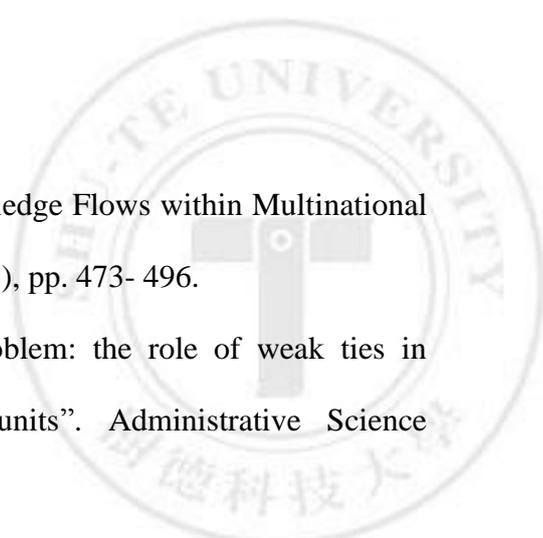
In general, the success of a company depends on the succession in their knowledge transfer. The company has to learn to exploit its specific resources acquired inside the company. On the other hand, these companies cannot forget that the source of a competitive advantage is in the variety of skills and the diversity of knowledge.

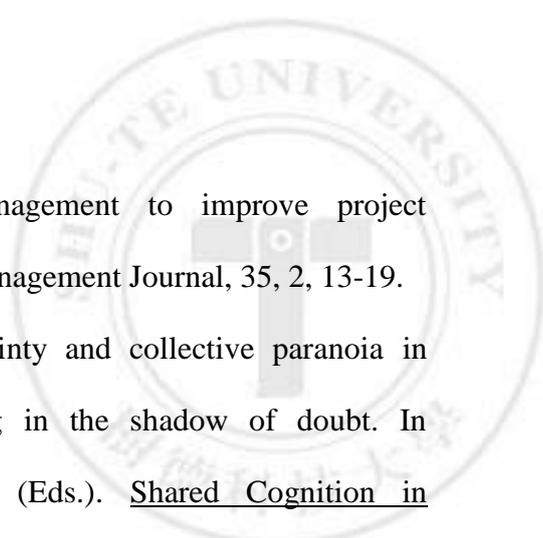
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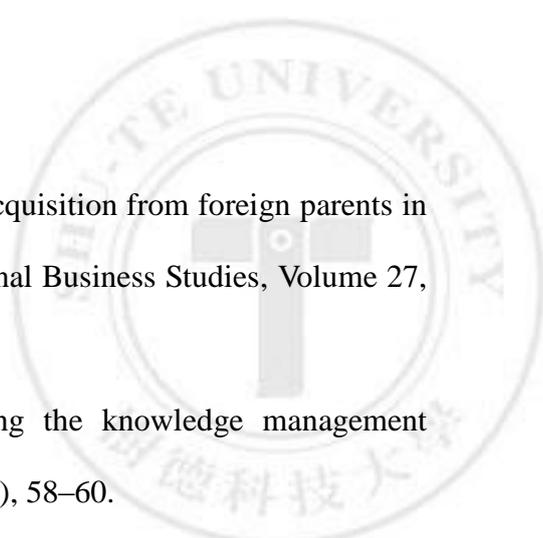
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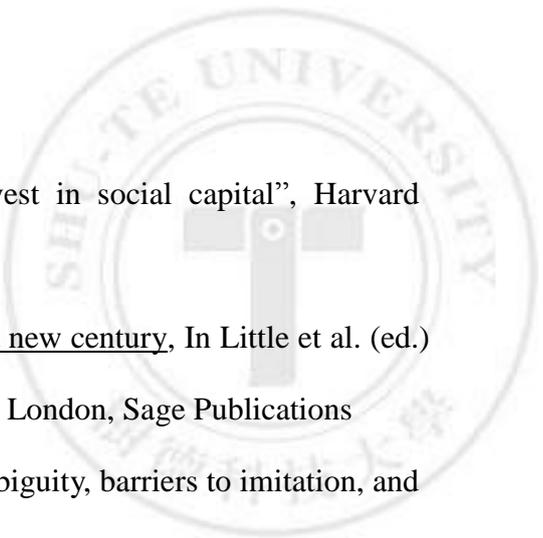
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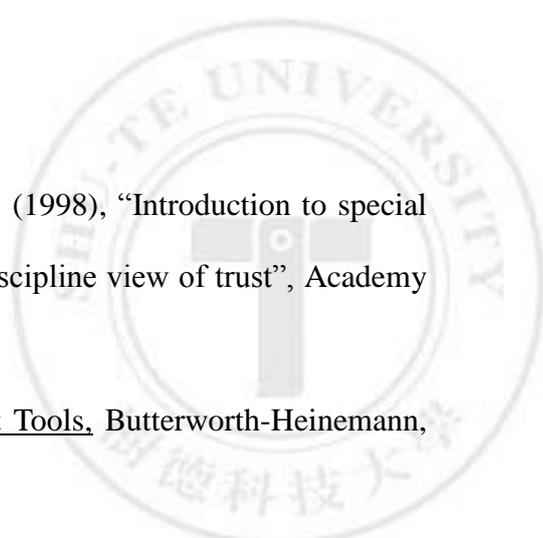
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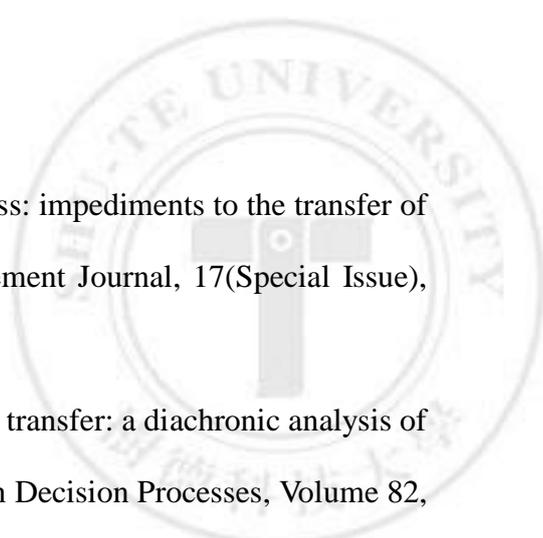
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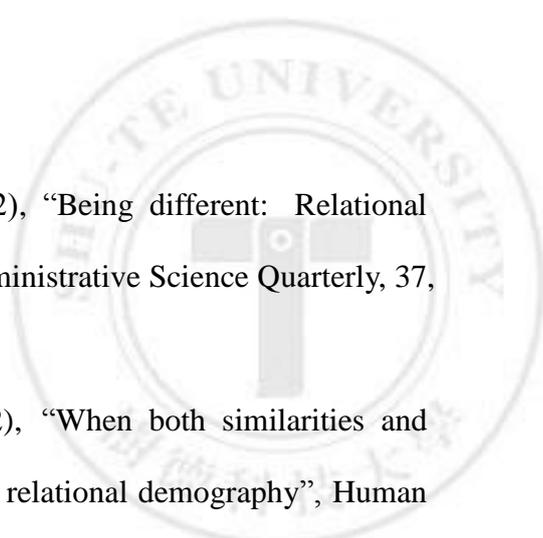
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