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KNOWLEDGE TRANSFER: A BASIS FOR COMPETITIVE ADVANTAGE IN ORGANISATIONS

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ABSTRACT

In organizational theory, knowledge transfer is the practical problem of transferring knowledge from one part of the organization to another. Like knowledge management, knowledge transfer seeks to organize, create, capture or distribute knowledge and ensure its availability for future users. Knowledge is of limited value if it is not shared and transferred throughout the organization. Organizations that are able to transfer knowledge effectively from one unit to another are more productive and more likely to survive than those that are less adept at knowledge transfer. Although organizations are able to realize remarkable increases in performance through knowledge transfer, successful knowledge transfer is difficult to achieve. When knowledge is transferred, it becomes cumulative and embedded within organization's process, products and services, which eventually contribute to increase organization's competitiveness and customer value. Thus, externalizing knowledge and facilitate its availability throughout a firm for better utilization appears very important in enhancing a firm's competitiveness. The concept of knowledge transfer is therefore not regarded merely as a link between existing Knowledge and its application but encloses constitutively the generation of knowledge and its absorption by knowledge taker.

Key words: Knowledge transfer, Knowledge management, Knowledge Sharing, Organizational knowledge.

1. INTRODUCTION

Knowledge transfer (KT) is a term used to encompass a very broad range of activities to support mutually beneficial collaborations between universities, businesses and the public sector. It's all about the transfer of tangible and intellectual property, expertise, learning and skills between academia and the non-academic community. It's also well recognized by government and funders as an important return on the UK's investment in academic research, one that provides a significant driving force for enhancing economic growth and societal wellbeing. For academics, KT can be a way of gaining new perspectives on possible directions and approaches for research. This two-way exchange element of KT is at the heart of successful and sustainable collaboration. Fostering competitive advantage and optimizing organizational performance in the current complex and dynamic environment requires an organization's capability to create and transfer new knowledge and practice. Based on Ichij & Nonaka the success of an organization in the twenty-first century will be determined by the extent to which an organization's members can develop their intellectual capabilities through knowledge creation. Thus, in order to sustain competitive advantage, managers'

understanding of knowledge creation and transfer is vital as the success of a company might be determined by managers' intellectual capital. Although a variety of studies were conducted on the knowledge creation and transfer, most of them have focused on the source and state of knowledge and not much has been paid to explore conditions and organizational cultures that facilitate knowledge creation and transfer within organizations. There are various means by which an organization can facilitate and support the knowledge creation and transfer processes, however not much has been said on the role of learning organization as a valuable means of facilitating learning and knowledge management. Learning organizations comprise of embedded systems to capture and share knowledge, so that they may continue to progress and develop competitively. 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 knowledge resides in organizational members, tools, tasks, and their sub networks and much knowledge in organizations is tacit or hard to articulate. The subject has been taken up under the title of knowledge management since the 1990s.Indeed, knowledge is of limited value if it is not shared and transferred throughout an organization. As the pace of global competition quickens, knowledge transfer has been proclaimed as one of the most critical knowledge management activities in current information age where organizations have to continually learn and innovate to remain competitive. However, knowledge transfer cannot occur without the existence of systems and mechanisms that enable the process. Driving for success transfer of knowledge, firms need to rely not only on external help, but also on its internal capabilities in creating conditions favorable for the transfer. Argote & Ingram define knowledge transfer as "the process through which one unit (e.g., group, department, or division) is affected by the experience of another". 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.

Szulanski's doctoral dissertation ("Exploring internal stickiness: Impediments to the transfer of best practice within the firm") proposed that knowledge transfer within a firm is inhibited by factors other than a lack of incentive. How well knowledge about best practices remains broadly accessible within a firm depends upon the nature of that knowledge, from where (or whom) it comes, who gets it, and the organizational context within which any transfer occurs. "Stickiness" is a metaphor that comes from the difficulty of circulating fluid around an oil refinery (including effects of the fluid's native viscosity). It is worth noting that his analysis does not apply to scientific theories, where a different set of dynamics and rewards apply. 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. Knowledge transfer includes, but encompasses more than, technology transfer. Often the terms knowledge transfer and knowledge sharing are used interchangeably

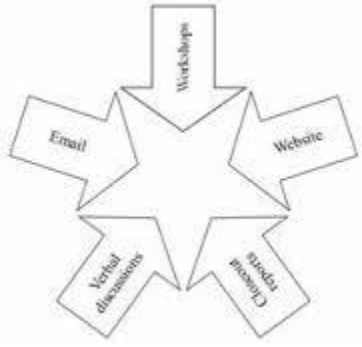


Fig 1 star-knowledge principles

However the difference between Knowledge transfer and Knowledge sharing is in the direction of Knowledge exchange. In Knowledge transfer knowledge is exchanged in one direction from the knowing person to the "not – yet knowing person", whereas in Knowledge sharing the knowledge is exchanged in both directions. Knowledge transfer in organizations is the process through which one unit (e.g., group, department, or division) is affected by the experience of another. Although knowledge transfer in organizations involves transfer at the individual level, the problem of knowledge transfer in organizations transcends the individual level to include transfer at higher levels of analysis, such as the group, product line, department, or division. Knowledge transfer in organizations manifests itself through changes in the knowledge or performance of the recipient units. Thus, knowledge transfer can be measured by measuring changes in knowledge or changes in performance.

2. TYPES 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 expands on a categorization of knowledge types that were suggested by Collins being: embrained, embodied encultured, embedded and encoded.

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.

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.

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.

Embedded knowledge is tacit and resides within systematic routines. It relates to the relationships between roles, technologies, formal procedures and emergent routines within a complex system. In order to initiate any specific line of business knowledge transition helps a lot.

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.

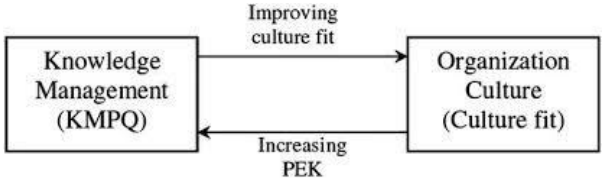


Fig 2. Knowledge management& organisation culture

3. KEY STEPS TO INFLUENCING EFFECTIVE KNOWLEDGE TRANSFER

Here are some suggestions for implementing a system for knowledge management and transfer in your Organization:

1. **Make it formal:** We should create documents that clearly outline how a process works. We should use checklists and sample templates to ensure that following the process is easy. This increases the confidence of the team members who know that they're not expected to just "figure it out" when the time comes. Even something as simple as taking notes during meetings and sharing they will keep your employees in the loop.

2. **Create duplication.** We don't need two people for every job, but we do need to plan for the worst. Cross-training can mitigate the risk of a key person leaving with a head full of knowledge. Ensure that there are at least two people who can step in during an emergency. For example, imagine a football team. If the quarterback is injured, another player has to step into that position. But what if no one has practiced that role? Your team probably wouldn't win the game.

3. **Train, train, train.** By providing your team members with formal training opportunities, you ensure that you have duplication of skills in the system. However, if you don't have the resources for formal training, you can try this simulation: Remove a key person from the system temporarily so the team can see what happens. If things fall apart quickly, people will be eager to figure out how to prevent that failure from happening in the future. For organizations that have effectively transferred knowledge to others, these situations present opportunities for employees to put their knowledge into practice and build their confidence.

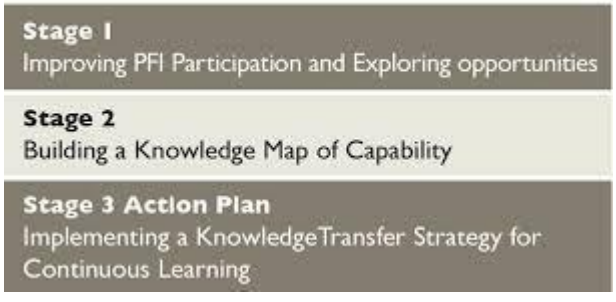
4. **Use systems.** Technology can capture key information for later generations to use. They shouldn't have to relearn what others discovered. By standing on the shoulders of those who have come before, newcomers can take the ball and run with it rather than spinning their wheels rehashing the same ground that's already been covered.

5. **Create opportunities.** Set up informal gatherings where team members can exchange information and develop networks organically. Develop communities of practice so employees can

work together to find and share information. This is a great way to capture and share knowledge with a broad audience.

6. **Be smart when using consultants.** While a consultant can be a valuable asset, keep in mind that they'll leave after the work is through. Make sure you plan to have their knowledge transferred to internal personnel so you can carry on once they've departed. For any of these practices to make a real difference in your business, you have to communicate the importance of knowledge transfer.

Figure 3: Knowledge Transfer Framework



4. FUNDAMENTAL DIMENSIONS OF KNOWLEDGE TRANSFER.

Knowledge transfer is understood here as a complex interactive, non-linear and possible Recursive process, which - according to the stage model by Gibson and co-authors (1990, 1991, and 1994) has three basic dimensions.

- **Knowledge generation** -defined by the process of topic selection, project selection and project implementation.
- **Knowledge diffusion** -defined by the process of preparation and dissemination of knowledge
- **Knowledge absorption** -defined by the process of assessment, assimilation and application of knowledge.

The concept of knowledge transfer is therefore not regarded merely as a link between existing knowledge and its application but encloses constitutively the generation of knowledge and its absorption by knowledge taker. The establishment of three fundamental dimensions of knowledge transfers the process-related character of knowledge transfer. This should not be thought of as a unidirectional sequence but must be understood non linear and potential recursively because he has neither a real beginning nor real ending. Knowledge transfer is understood as a continuous never ending process a new spiral of knowledge transfer can be set in motion at any point and the direction of the process turned the other way around at any point.

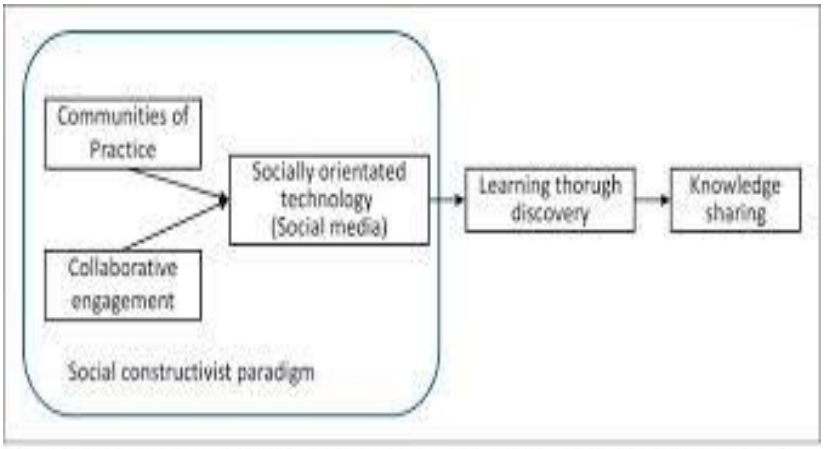


FIGURE 4: Conceptual framework for knowledge transfer in SA public sector.

5. PROBLEMS FOR TRANSFERRING ORGANISATIONAL KNOWLEDGE

The main problems associated with Organizational knowledge Transfer are related to the complexity of the social processes that occur during the transfer process, to structural organizational factors and to the degree of abstraction in which organizational knowledge is packaged in order to be transferred.

Organizational knowledge is complex because knowledge transfer is based on individual interpretation, cognition and behavior that in turn can be shaped by contextual rules and resources. In order for knowledge to be transmitted effectively, it must be congruent with the existing social context. And this does not happen easily in situations in which the transfer of knowledge is inter-organizational, let alone in cases of international knowledge transfer. Another challenge to measuring knowledge transfer in organizations through measuring changes in knowledge is that knowledge in organizations resides in multiple repositories

6. CONCLUSION

In today's highly competitive business environment, knowledge is widely recognized of its importance as a critical resource for competitive advantage of the firms. The success of an organization today lies more on its intellectual- intangible asset rather than its physical assets. Knowledge is of limited value if it is not shared and transferred throughout the organization. When knowledge is transferred, it becomes cumulative and embedded within organization's process, products and services, which eventually contribute to increase organization's competitiveness and customer value. Thus, externalizing knowledge and facilitate its availability throughout a firm for better utilization appears very important in enhancing a firm's competitiveness.

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