

## Research on Managerial Practice of Promoting Knowledge Transfer within Organization

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**Abstract**—Knowledge is the fundamental source of competitive advantage. With economic environment being more dynamic, complex and uncertain, organizations concentrate more on the effective intra-organizational knowledge flows and integration. However knowledge transfer will be faced with many obstacles, so it needs effective measures to promote. From the view of explicit knowledge and tacit knowledge, this paper proposes that information technology is the effective managerial practice promoting explicit knowledge transfer, and that interpersonal communication is the effective managerial practice promoting tacit knowledge transfer.

**Keywords**-knowledge transfer; managerial practice; explicit knowledge; tacit knowledge

### 1. Introduction

In recent years, the source of competitive advantage of firm is always a hot topic in academe. From “Resource-based View of Firm” to “Core Competitive Competence Theory”, then evolved to the theory of “Knowledge-based View of Firm”, knowledge as the fundamental competitive advantage of firm, has gradually been acknowledged by scholars. There is no doubt that knowledge is the headspring of acquiring sustaining competitive advantage for the firm under the economic environment that uncertainty is the only ascertainable factor. Success belongs to enterprises which can unremittingly create new knowledge then spread it all over the organization, and promptly develop new technology and products. The competitive advantage can be improved through effective transfer of knowledge which can quickly extend the overall knowledge saving capacity of the organization. In addition, the effective knowledge transfer can make the learning speed of the organization faster than the imitating speed of the competitor. Only through keeping continually exceeding the competitor’s learning competence, would the durable competitive advantage be retained in the global competition.

However, there are a lot of obstacles in the process of knowledge transfer because it depends on the degree the knowledge itself being conveyed, explained, and imbibed. Szulanski considered that “internal stickiness” of knowledge blocks the effective knowledge transfer, and further advanced that absorbency, incentive factors, and the relationship between sourcing part and receiving part are the key factors blocking the effective knowledge transfer [1]. Simonin introduced the concept of “knowledge ambiguity” to explain the obstructions of knowledge transfer, and brought forward that the own features of knowledge, previous experiences, differences between organization and culture are the fundamental causes of “knowledge ambiguity” [2]. The foregoing investigations indicate that relevant measures require to be taken to accelerate the effective liquidity of knowledge because there is cost in knowledge transfer.

### 2. Explicit Knowledge and Tacit Knowledge

As the most classic statement of knowledge, Polyani divided knowledge into two main types: articulated knowledge and tacit knowledge [3]. Articulated knowledge is the knowledge that can be expressed by literal language, chart and mathematic formula. Tacit knowledge is the knowledge that highly individualized, practice related, and hard to articulately express. Nonaka formally introduced articulated knowledge and tacit knowledge into the field of Management [4]. He stated that articulated knowledge bears features of standardization and systematism, which is easy to communicate and share, is usually expressed in the form of product appearance, documents, data-base, specification, common sense, computer program and so on. Tacit knowledge is highly individualized knowledge and hard to regulate, which is rooted in the behavior itself and inconvenient to share with others. It generally exists as personal experiences, team privities, technical knacks, organizational culture and etc.

This paper claims that knowledge exists in two forms: explicit knowledge and tacit knowledge. Explicit knowledge can be expressed clearly through language, characters, data, chart, formula and so on, with the features of standardization and systematism, which is convenient to communicate and share. Tacit knowledge is highly rooted in individual behavioral experiences and environment which can only be mastered in practice but inconvenient to be clearly expressed or communicate and share. Tacit knowledge contains not only workmanship and skills formed in practice, known as “technical knowledge”, but also thinking pattern, belief, perspective, value concept and etc, known as “cognitive knowledge”. Different measures should be taken in the process of transferring and sharing because explicit knowledge and tacit knowledge have different characteristics respectively.

### **3. Managerial Practice in Promoting Explicit Knowledge Transfer**

Explicit knowledge, with the features of standardization and systematism, can be expressed clearly through language, characters, data, chart, formula and so on, therefore is easier to transfer compared with tacit knowledge. The rapid development of information technology has further enriched the managerial tools and methods which can help promote the effective liquidity of explicit knowledge and make the knowledge collection, communion, and application more convenient and effective.

#### **3.1 Internet /Intranet**

Intranet is the internal Internet of the organization based on the information technology which can connect internal units and employees of the organization thereby promoting the communion and liquidity of knowledge.

#### **3.2 Knowledge Database**

Knowledge database is the firm’s depository of knowledge and information in the form of text and multimedia from which employees can input or output knowledge.

#### **3.3 Knowledge Yellow Pages**

Knowledge yellow pages provide information about knowledge and skills for all the internal staff of the organization by systemizing firm knowledge and making the systemized knowledge into personal handbook and dictionary, which improves the transparency of knowledge that all the staff can master.

#### **3.4 E-mail**

E-mail favors the knowledge transfer and communion through realizing inter-employee long-distance and instant communication.

#### **3.5 Bulletin Board System**

Bulletin Board System is the virtual reality space of intranet used for question and answer which can effectively promote the inter-employee communication and knowledge transfer.

### **4. Managerial Practice in Promoting Tacit Knowledge Transfer**

Compared with explicit knowledge, tacit knowledge is rooted in the individual brain and organizational convention which is hard to express through language and word. Therefore, tacit knowledge transfer can not depend on information technology but on the interpersonal communication and intercommunion.

#### **4.1 Conference and Forum**

Through Organizing periodic multiple-theme conferences and forums, Multinational Corporation could strengthen the relations of departments. The manager from each department can achieve knowledge sharing and transfer by formal or informal personal communication and intercommunion through conferences and forums.

#### **4.2 Demonstration and Supervision in Person**

Through demonstration and supervision in person, the manager can promote organization learning and internal knowledge transfer through learning advanced experiences and knowledge from other departments. The most effective demonstrating activities have strong pertinence to different people's various requirement.

#### **4.3 Cross-Functional Team**

Cross-Functional team is a kind of independent organizational form aimed at completing certain project or plan that members are usually from different functional departments. It is adopted by more Multinational Corporations due to its feasibility of organizational form and face-to-face communication between different units.

Cross-Functional team is in favor of internal transfer of tacit knowledge. On one hand, Cross-Functional team has enabled employees to gain intercommunication, uninterrupted conversation, and promoted reflection by providing platform for conversation and face-to-face communication. New perspectives are inspired through team members' dialogue and discussion. Respective information is stored together. They think from different angles and at last conclude a concurrent point, a collective wisdom. On the other hand, Cross-Functional team has provided a practical platform for employees to learn from each other. The team members are from various departments with different knowledge and experiences, and when they work together, they can learn and master new knowledge in practice through observing and imitating.

#### **4.4 Employee Training**

As for organizational internal knowledge transfer, employee training is an effective managerial tool. There are three significances in employee training.

Firstly, improve absorbency. Education and training program can enhance employees' operational skills and extend their managerial concept and further strengthen their knowledge capacity. It is useful for employees to absorb and utilize new knowledge, especially tacit knowledge.

Secondly, broaden channels of knowledge transport. Through participating in training program, managers from different departments of the organization can make formal and informal communication and intercommunion, and then establishing close interpersonal relationship network.

Thirdly, cultivate organizational culture. Training program has infused employees with a common development blueprint and value system which can decline the organizational cultural discrepancies between delivering unit and receiving unit and prompt knowledge transfer among units in organization.

#### **4.5 Personnel Rotation**

Because tacit knowledge is rooted in the individual brain and organizational convention, therefore, the most effective way of tacit knowledge transfer is employee liquidity. Personnel rotation can deepen the communication and eliminate the cultural differences between knowledge owners and accepters, and strengthens the spontaneous spreading of knowledge and technology by helping establish interpersonal relationship network. In addition, firm's internal knowledge can be easily spread and made into practice through personnel rotation by helping employees comprehend firm's operations from multiple angles.

#### **4.6 Learning Histories**

Learning histories is a knowledge transfer managerial tool developed by some sociologists, firm managers and columnists from Massachusetts Institute of Technology organization learning center.

Learning histories is a suit of text recording important events of the firm, including a lot of episodes in the process of growth, such as company reform, creative ideas, significant innovations, and successful product introduction; or including the failure experience of the company, such as large-scale laying off employees. One Learning history has 20 to 100 pages, including left and right columns. In the right column records the relative persons' description about the opinions and feeling about certain event. The relative persons refer to the party of the event, or the people influenced by the event, or the people who carefully observe the event. The citing opinions and feeling are used to write a story which is exciting, compelling, and full of emotion. Narrators' titles and headships will be cited, but their concrete identity will not go public. The left column is the analysis and review of learning historical expert. Learning historical expert is a team, including well-trained experts (usually managerial counselor and organizational learning scholars) and knowledgeable internal persons (usually from human resources and effectiveness expert team). In the left column, experts try to point out the repeating theme and bring forward the relative hypothesis and meaning. They point out the un-discussable questions hiding in the right column. The expert's review is carefully designed, and when readers are discussing as a team, more reflections will be inspired.

Learning histories is very important to knowledge transfer. Firstly, it helps to establish trust. The group discussion, in the process of learning histories, provides an opportunity for collective reflection, and helps establish deeper mutual trust. The improvement of trust degree can help organizational learning and knowledge sharing. Secondly, learning histories is very effective in introducing questions. The concept of right column is anonymous and the left is incisive and pertinent. Therefore learning histories provides conditions for discussing complex questions publicly. Thirdly, learning histories enables to promote organizational internal knowledge innovation. The reader of learning histories would not simply copy the lessons and experiences, but find out logic and momentum and put the internal thought into creative activities.

#### **4.7 Community of Practice**

Community of practice indicates the informal network community established on the basis of work and practice, in which the firm's employees with special skills or positions form the common apperception of interests and goals in the process of mutual communication and help, and have the common desire of sharing their own knowledge and experiences [5].

The process of knowledge transfer in the community of practice can be treated as a benign circulation of "communication-trust-study-share". In community of practice, when members are communicating with each other, a common behavioral mode, a suit of common convention and a kind of common will can be developed, and further create the atmosphere of mutual trust. Under the atmosphere of mutual trust, community members are more willing to learn from others' knowledge and experiences initiatively and quickly. The more members have learned, the more they are willing to share with other members. Sharing knowledge will cause further mutual communication between members, therefore, forming the benign circulation of knowledge transfer in the community of practice.

#### **4.8 Storytelling**

Storytelling is that the narrator describes certain concrete event in the process of company operational management through vivid languages. A complete story usually contains plots, main characters, and the final. The managerial regulations, managerial system, value concept and moral standards of a company can be expressed vividly in the process of narrating, which is easier for audients to understand and master. Generally speaking, storytelling mainly happens in the process of informal communication between organizational members, which can happen under different conditions, such as conference time or coffee time, or depending on different Medias, for example, video, television, and telephone. The story is closely related to the narrator's personal experience, so it is more vivid than other forms and more likely to arouse the interest of audients. The audient will have a deeper impression on the contents, and is more likely to take it as guide in the future. Storytelling is helpful for tacit knowledge transfer because the common thinking model and mental model established between narrator and audient.

A successful storytelling would be a self-circulation process with strong vitality, and not be limited to a certain narrator himself. There are four stages in the process of storytelling.

Firstly, intention stage. Organizational members accept knowledge through informal communication, sometimes even unconscious. However, storytelling, as a tacit knowledge transfer tool, should have identified knowledge transfer will which is the start of storytelling.

Secondly, creation stage. When there is a will of storytelling, the narrator starts to form the basic frame about the contents in his brain. Cultural background is an important factor influencing the formation of the story. Company's culture and national culture will both limit the thinking method of organizational members' thinking methods, and further influence the formation of the story

Thirdly, narration stage. Narrator is the key in the process of storytelling. There will be differences in ways of narrating and plans of plots because different narrators. The knowledge delivered by storytelling will adopt ways of clearly emphasizing or implying in anecdotes according to favors of the narrator. There will be influences to audients in terms of narrators' voice, eye contact, and belief.

Fourthly, reception stage. Audients express identity, carelessness, or decline to do story. Reception stage means that the audient receives huge influence from the narration stage. When the audient has accepted the story, he tends to narrate the story to other members. A new circulation of storytelling begins when the audient turns into the narrator.

## **5. Conclusion**

Due to the characteristic differences between explicit knowledge and tacit knowledge, explicit knowledge is more suitable to use information technology to share and transfer, while tacit knowledge depends more on the direct interpersonal communication and intercommunion. However, it does not mean the mutual isolation between two ways. If the organization truly wants to achieve the effective knowledge transfer, the relationship between electronic transfer and interpersonal communication must be properly handled. Explicit knowledge and tacit knowledge, as the two parts of the knowledge system, are indivisible and supplement each other. Information technology which promotes the explicit knowledge transfer and interpersonal communication which promotes the tacit knowledge transfer also supplement each other. On one hand, electronic transfer needs interpersonal communication as a useful supplement. Face-to-face interpersonal communication promotes explicit knowledge transfer through information technology by establishing interpersonal mutual-trust relationship. On the other hand, electronic transfer provides guides for the tacit knowledge transfer. Though information technology bears the explicit knowledge, it can point out the owners of tacit knowledge as a guide. Through the information system, such as database and electronic forum, the inquirer can find potential owners of tacit knowledge and obtain necessary tacit knowledge through face-to-face interpersonal communication.

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