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Abstract

In today's business world knowledge is considered as one of the most important assets of a company. If shared and used efficiently, knowledge might convert into a competitive advantage which is very hard for competitors to imitate. In fact, especially the transfer and use of knowledge across borders has become one of the central concerns for multinational companies as it might provide them with sustained competitive advantage. In the international arena, expatriates represent important vehicles in the exchange and transfer of knowledge.

In most of the cases the purpose of an international assignment is to diffuse parent company knowledge in the host country. Unfortunately, it is easily forgotten that expatriates acquire a great deal of knowledge and new skills during expatriation. Part of this knowledge is of explicit nature which is relatively easy to codify. Another part of the knowledge can be characterized as tacit or silent knowledge. Tacit knowledge is difficult to transfer, because it is experience-based and context-specific.

The research question, *how the knowledge gained by expatriates during an international assignment is transferred to the use of the parent company*, is studied with help of three sub-questions. The first one is concerned with what kind of knowledge expatriates gain during an international assignment. The second sub-question is related to the mechanisms of knowledge transfer. The objective is to find out how the valuable knowledge can be transferred to the use of the home company. The third sub-question is concerned with the possible barriers to knowledge transfer which might hinder or even prevent knowledge flows.

For the empirical part of the thesis three former expatriates of the case company were interviewed. In order to get a company perspective, also an employee from the line organization was interviewed. As a result of the interviews, all the former expatriates had gained many-sided knowledge during the assignment. A considerable part of this knowledge is of tacit nature which means that its sharing requires efficient mechanisms, namely face-to-face interaction. Despite the fact that the interviewees acquired different kinds of knowledge and skills, the knowledge gathering in the parent company resulted mostly unofficial and non-systematic. Thus, knowledge transfer takes place randomly and only partly in the case company. In order to profit from the expatriate knowledge and skills, the case company should begin with systematic knowledge transfer. The most important barriers to knowledge transfer are related to lack of time, culture of the organization and lack of absorptive capacity.

Key words	Competitive advantage, expatriates, explicit knowledge, knowledge transfer, multinational companies, tacit knowledge
Further information	

