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# **CROSS-CULTURAL KNOWLEDGE TRANSFER WITHIN A MULTINATIONAL COMPANY**

Master's Thesis  
in International Business

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# **1 INTRODUCTION**

## **1.1 Background to the research**

In international companies operating in a global context characterized by increased uncertainty and rapid changes, there is often an acute need for sharing knowledge across geographically dispersed units and between experts from different disciplines. Generally improving the ability and establishing different mechanisms for sharing and transferring knowledge has therefore long been recognized as being of profound importance for such companies (Rolland 2006, 143). Having these mechanisms running would ensure the smooth knowledge transfer within a company, both inside and outside it. Organizations must “know what they know” and must share this knowledge in order to learn how to cope and perform their activities effectively (Coakes 2006, 580).

When working in a multinational company, the cross-cultural communication is a daily activity, thus it is essential to understand the culture and related issues in order to efficiently achieve the goals and communicate freely with the co-workers from overseas subsidiaries. Johnson et al. (2006, 530) argue that the cross-cultural communication in international business is an individual’s effectiveness in drawing upon a set of knowledge, skills, and personal attributes in order to work successfully with people from different national cultural backgrounds at home or abroad. This research was completed by combining the two concepts: cross-cultural communication and knowledge transfer. They were applied to the activity of the Training Centre of the multinational company (Company X further on in this research), and the four interviews were gathered to answer the research questions.

## **1.2 The purpose of the research**

The purpose of this thesis is to study the cross-cultural knowledge transfers within a multinational company. Multinational company is defined by QFinance as a “company that operates internationally, usually with subsidiaries, offices, or production facilities in more than one country”. (Qfinance.com, retrieved 27.06.12). As an example the multinational corporation’s Training Centre will be used, because the transfer of knowledge is an important part of its everyday operations.

The main reasoning behind choosing the Company X as a research target is that it employs people with different cultural and educational background. Thus, the problems, challenges and opportunities of the knowledge transfer within a multinational environment can be studied easily.

Hence, the research question for this study is: *How to ensure successful knowledge transfer process during cross-cultural communication in a multinational training centre?*

The four sub-questions to the study are:

- *What difficulties occur in training centre when global customer training activity is performed by trainer(s)?*
- *How cultural differences influence a cross-cultural communication?*
- *How to ensure transfer of tacit knowledge cross-culturally?*
- *How to assess whether knowledge transfer was successful?*

The focus of this research is on the management of the cultural differences and knowledge transfer within a multinational company from employees' perspective. Psychological determinants of knowledge sharing and different models used for knowledge sharing will be looked at in order to better understand a human factor behind the knowledge sharing and knowledge transfer.

The study required the primary data, which was obtained through interviews. The interviews with employees directly involved in knowledge transfer and sharing will help to confirm or challenge the existing frameworks for knowledge sharing within a multinational corporation.

### **1.3 Research gap**

In general, the gap between the already known and the potential new knowledge will motivate a researcher (Järvinen 2004, 4). Indeed, "the knowledge transfer in the multinational corporation" is a very extensive yet much studied topic up to date. There are hundreds of articles that deal with the topic. It can be seen by browsing the last 20 years of, for instance, 'Journal of International Business Studies'. For example, an article published in Management International Review, 2007 by Minbaeva, is named "Knowledge transfer in multinational corporations". The main finding of this article is that the sender and the receiver are both playing an important role in the successful knowledge transfer; the statistical analysis was employed for the research.(C.f. Minbaeva 2007, 568).

Kogut and Zander (1993) made an extensive research on knowledge and the speed of transfer of it, concentrating on horizontal knowledge transfer. Similarly to many other works it was quantitative, the statistical data was used during establishing and testing of a hypothesis. For instance, Govindarajan and Gupta (2000) carried out a study on knowledge flows within multinational company. The regression analyses and tests were involved to find out the knowledge transfer processes and the determinants of the successful transfer of knowledge. Likewise, Lucas (2006) examined the influence of

cultural issues on the knowledge transfer and ways to manage effectively the knowledge transfer process. Additionally, Bhagat et al. (2002) were among the first ones to develop a theory on the role of cross-cultural issues in the knowledge transfer. The research conducted by Chini (2004) dealt with effective knowledge transfer in multinational corporations. It was concentrated on organizational level of knowledge transfer, thus focused on processes, rather than on people, and not paying enough attention to cross-cultural issues. Moreover, it dealt with intra-organizational knowledge sharing, and therefore no extra-organizational knowledge sharing was highlighted. Yet again, the research was conducted quantitatively by means of questionnaire: numeric and statistical data was produced as a result. Partly the findings were presented as graphs. There are many more examples that can be presented, although it is evident that the quantitative research approach in Knowledge Transfer field is preferred over the qualitative research approach. Thus, this work aimed to explore the issue of knowledge transfer using qualitative method due to its relative unpopularity in exploring this topic.

It was seen as a worthy challenge to carry out the study on the successful knowledge transfer without employing statistical tests and quantitative research methods. The credibility and reliability of this study were nurtured by first-hand information used in it. The information was obtained from original source on voluntary basis, and had not been twisted, altered or changed. The qualitative approach to the problem attempted to give answers to the research question and sub-questions of the thesis.

## **1.4 Structure of the thesis**

This study determines how cross-cultural knowledge transfer is carried out on a daily basis in Company X. The key concepts of this thesis are explained comprehensively in the text. The research problem along with the sub-questions comes in the first chapter, and is followed by the theory. In the theoretical part, two central concepts to this thesis – the cross-cultural communication and knowledge transfer are explained separately and later combined in the form of a synthesis. In the second chapter, the concept of culture is defined and the most famous frameworks on cultural dimensions serve as an introduction to the human communication systems.

In the beginning of the third chapter the introduction to the knowledge transfer concept is made. Types of knowledge are identified and knowledge-bases resources in the company are covered. The theory goes deeper into intangible requirements for the successful knowledge transfer that include such points as the common context and language and ability to communicate. Psychological determinants of knowledge sharing are closely related to communication between individuals in the company, and thus highlighted in this thesis. To ensure the better understanding of knowledge transfer

concept, the knowledge transfer models, and programs that facilitate knowledge transfer are introduced further on in this chapter.

Chapter four explains in detail what approach was chosen for this thesis, how the information was gathered, recorded, transcribed and used. The credibility of the research, its trustworthiness, dependability and reliability are discussed.

The data analysis follows, and it unveils the answers to the questions of the thesis. At the end of section five a figure that was composed according to what the interviewees said is found. The model of the knowledge management sharing that is used within the Training Centre is displayed.

Chapter six deals with conclusions and covers the theoretical implications of this work and give suggestions for further research. Summary of the work follows in section seven. In the last section of the thesis the references can be found along with the appendices to the thesis.

The following chapter makes an introduction to cross-cultural communications and explains cultural dimensions proposed in the thesis.

## **2 CROSS-CULTURAL COMMUNICATION**

To understand the cultural issues that one can encounter while doing business and transferring knowledge with people from a different cultural background, it is essential to explain main concepts, such as culture and cross-cultural communication.

### **2.1 Defining culture and cultural differences**

There are plenty of ways to define culture and several famous definitions of culture are introduced below. These definitions were chosen for this thesis because of their simplicity yet comprehensibility.

Definitions of culture focus upon extrinsic factors, like the artefacts that are produced by society, such as clothing, food, and technology and intrinsic factors such as beliefs, attitudes, perceptions, and values of society; ...culture consists of habits and tendencies to act in a certain way, not the actions themselves (Gudykunst 1989, 171-172). Brown (1998, 7) communicates of a culture as of a pattern of beliefs and expectations shared by the organization's members; patterns, in turn, produce norms that mightily shape behaviour of individuals and groups in the organization.

Culture deals with the way people understand their world and make sense of it (Hoecklin 1994, 21). According to Hoecklin, (1994, 21) culture is a shared system of meanings. Hofstede (1984, 25), in turn, states that culture dictates what groups of people pay attention to: culture guides how the world is perceived, how oneself is experienced and how life itself is organized. Culture is the collective programming of the mind which distinguishes the members of one human group from another, the interactive aggregate of common characteristics that influence a human group's response to the environment (Hofstede 1984, 25). Hofstede (1984, 21) states that a culture is particular to one group, and not to others; it influences the behaviours of group members to uniform and predictable ways, it is learned, not innate, it is passed down from one generation to the next, it includes systems of values.

Bearing in mind the diversity of culture, it is necessary to clarify that no culture stands above or below another – they are different and should not be compared or paralleled. According to Hoecklin (1994, 25) culture is not right or wrong, it is inherited; and recognizes the wide variation in individual values and behaviour within each national culture. Mead (2005, 17) asserts that cultural diversity of people that work together poses immense opportunities. If a company is successful to maintain the sense of unity and belonging of its employees regardless of their cultural background, and

thus providing the favourable environment for work and creativity, this company is more likely to be successful in its operations, and therefore achieve economic benefits.

To make these statements clear, there is a distinctive figure made by Hofstede (1980) on the three levels of human mental programming.

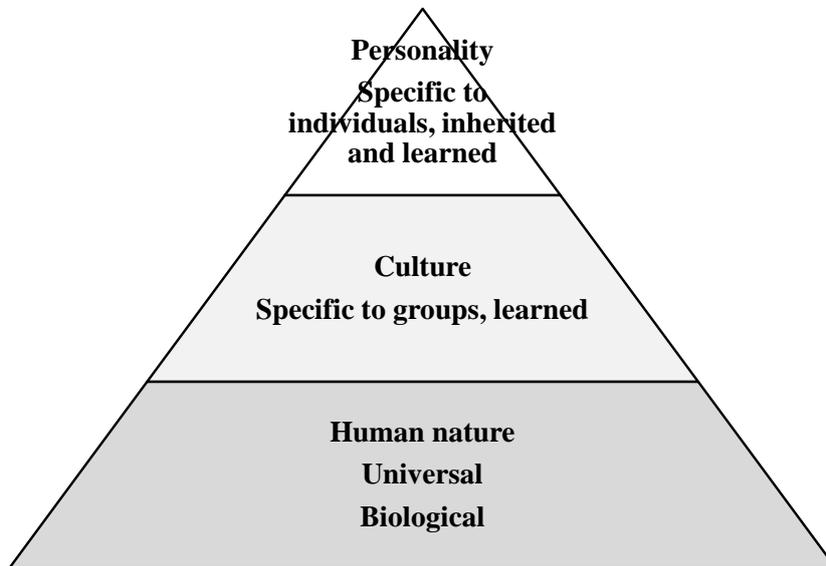


Figure 1 Three levels of Human mental programming (Hofstede 1984, 16; Hofstede and Hofstede 2005, 4-6)

Figure 1 represents a mental programming pyramid, where the bottom part, human nature, is shared by all human beings, regardless of age or nationality. This part is universal and inherited within one's genes. For example, the ability to feel fear, love, joy, affection, and other feelings is universal. However, the way how people express and feel these emotions is shaped by one's culture. Personality, in turn, is a unique set of characteristics that shape one's behaviour. It is partly learned from the surrounding environment, culture and family. It is partly accumulated with years of life of a person as personal experience, and partly inherited with unique set of genes.

Like Hofstede and Hofstede (2005, 4-6), Bennett states that (1998, 1) "...individuals do not have different cultures; the term for pattern of individual behaviour is "personality...". Bennett (1998, 3-4) divides cultures into subjective and objective. Subjective culture, or lower-case culture, can be seen as assumption, stereotype, habit, or attitude. Objective culture, or upper-case culture, is being "formal", and thus includes social, economic, linguistic, and political systems. Objective culture includes artefacts and explicit rules to follow. (cf. Bennett 1998, 1-4). Overall, Bennett (1998, 1-4) asserts that personality is what distinguishes person from person, and not culture. The judgements of a person of what is right and what is wrong are based on the personal

perceptions and considerations. They, in turn derive from cultural setting this particular person has seen since his birth. Thus, culture and personality are closely intertwined and both affect the person opinions and actions.

It is important to clarify the essence of stereotypes, as they will be discussed further on in this thesis. In general, stereotype is something that is assumed, but it is not known whether it is right or wrong. The source of one's knowledge or assumption can vary. For instance, Bennett (1998, 3-4) identifies two types of stereotyping – deductive and inductive. Deductive stereotyping occurs when a specific cultural generalization is applied to every single individual in the culture. Inductive stereotyping, on the contrary, occurs when the generalization is made about one particular phenomena after observing this phenomena only a handful of times.

To draw a conclusion, people in different cultures perceive the world differently and have dissimilar ways of behaving and conducting various spheres of life, and there is no set standard for considering one group to be superior or inferior to any other. What is more, culture is as collective phenomenon that deals with shared values and meanings. Now, it is possible to summarize that culture is an inherited entity that is typical to one particular setting. Culture shapes the person both inside and outside. Thoughts, ideas, mind-set, as well as outfit and appearance are dictated by culture. At times, stereotypes are applied to certain cultures or nationalities, although the true essence of a human being is not determined by one's culture, but by one's personality. This vast definition of culture drawn from all the definitions above can be taken as a definition of culture for this thesis.

In the next section, several famous cultural dimensions are summarised to illustrate patterns and schemes of interpersonal and intercultural communication.

## **2.2 Cultural Dimensions**

Bhagat et al. (2002, 218) assert that the cultural dimensions are crucial to understand and access the ability of organization to effectively transfer and receive knowledge. Furthermore, according to Bhagat et al. (2002, 218) there is no guarantee that the knowledge will be transferred successfully even with the knowledge and understanding of the cultural dimensions. Thus, not only the cultural aspects, but also the type of knowledge should be considered before commencing the knowledge transfer process.

Cultural dimensions are cultural scopes that can help to describe a specific phenomenon within a specific culture. Some of them are presented below, and will shed light on psychological conduct and behaviour of individual in a determined cultural setting.

The models that were chosen for this framework are simple to understand. Some of them presented graphically, some of them are explained plainly in the text. They reflect the patterns and usual cycles people follow when communicate intercultural. Some of them are more famous than other. The main criteria for choosing these models rather than any other models were that they were supposed to be relevant to the close cross-cultural communication arrangements. Cross-cultural competence model, core problems and core solutions in the cross-cultural communication, intercultural sensitivity model among others are relevant to the cross-cultural communication. That is why it was decided to discuss them below.

To begin with, there are *four levels of cross-cultural communication* proposed by *Howell* in 1982. *Howell* (1982) argues that it is possible to be unconsciously competent when the individuals are unaware of any cultural differences. Conscious incompetence takes place when the individuals realize that they are not able to get along with one particular person, but cannot determine why and how to avoid it. The form of conscious competence when the individuals are able to move beyond their original cultural conditions, and are able to absorb other cultures is named intercultural transformation, and it is the third level of cross-cultural communication. The last in the list of competencies is the unconscious competence – the level when the communication of two individuals from different cultures goes smoothly. (cf. *Schmidt et al.* 2007, 73; [http://changingminds.org/explanations/learning/consciousness\\_competence.htm](http://changingminds.org/explanations/learning/consciousness_competence.htm), retrieved 27.06.12).

*Holden* (2002, 31) proposes similar model to the one of *Howell*:

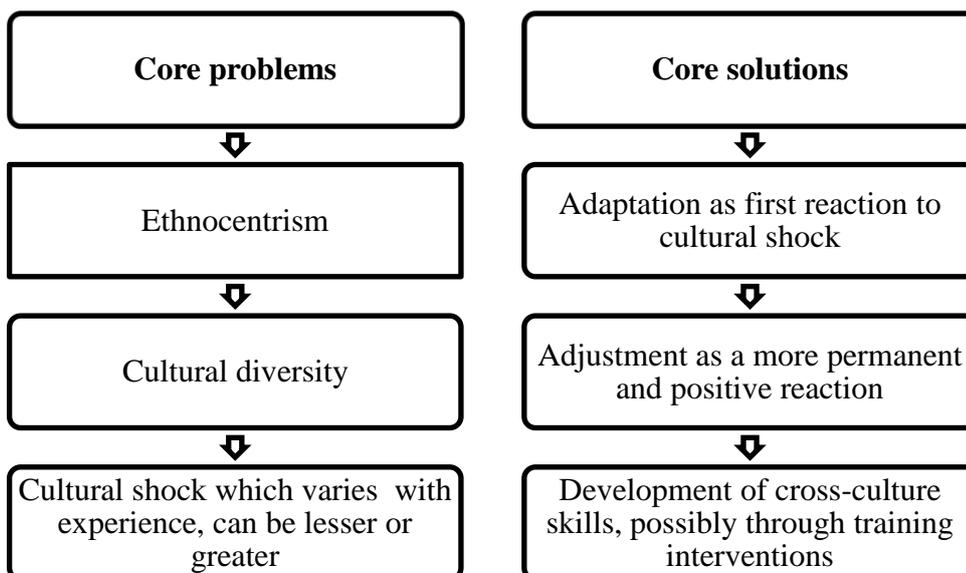


Figure 2 Thematic model of core problems and core solutions in the cross-cultural management literature (modified from *Holden* 2002, 31)

The Figure 2 demonstrates that to become more culturally aware, the person goes through a set of experiences, often uncomfortable ones. Through them, the understanding of the cultural differences is emerged. In the beginning, the person experiences the whole range of feelings, from hostility to the uncomfortable feeling when there is a need to make contacts with the foreign culture. It is common to experience the feeling that the person's own culture is superior. However, the first impression tends to pass rather quickly and it will be substitute quite soon with first signs of adaptation to the surrounding environment and cultural setting. The cultural diversity is still evident to the person rather sharply, although there is no such strong emotion towards diversity anymore. The person adapts to the surrounding and negative emotions are substituted with more positive ones. At last, the more intercultural experience the person gets, the lesser will be the cultural shock, and at the end- a "new" mind-set is developed. The person develops the cross-cultural skills, gets acquitted to the environment and finally, adapts.

The resemblance between the two models is straightforward- the person starts as unconsciously incompetent in the beginning, when it is hard to get along with people of different culture. With the time, he evolves into consciously incompetent person, when it is finally realised, that little progress was made towards understanding other's people culture. Later on another transformation occurs, and person becomes consciously competent, he knows everything he is supposed to know, he had already adapted to the cultural setting, and meets new people learns new things easily. The last stage, when the person becomes consciously competent and does not have to make any significant effort to learn or to adapt to new things or to new people – it happens very naturally. Overall, these two models deal with the same phenomena- cultural adaptation of a person. Although, the Holden's model (2003) deals primarily with experiences and feelings, while Howell's model (1982) deals with the mind-set of a person and communication between two or more individuals. The two modes handle the same problem but from the different angle. It is impossible to say which of the two is more important, thus the two models can equally be recognized as useful to this thesis.

*Hofstede* developed a *comparative model* (1980) that works in five dimensions: power distance, individualism (versus collectivism), masculinity (versus femininity), uncertainty avoidance, and long-term orientation (versus short-term orientation).

Power distance can be high or low, and it reflects the attitude to authority, and the distance between individuals in a hierarchical institution. The power distance index measures the inequality in the specific society to compare it to the other society. Power distance is based on people's perception of inequality. Power distance is an extent to which the less power members of institutions and organizations within a country expect and accept that power is distributed unequally. (Hofstede and Hofstede 2005, 46; <http://www.geert-hofstede.com>, retrieved 21.7.2011).

Individualism versus collectivism dimension, measures the independence and interdependence; loyalty towards oneself and towards a group. In individualistic cultures, ties among individuals are very loose. Such cultures are generally driven by self-interest rather than by group interest. Individualist societies are those in which the ties between individuals are loose, everyone is expected to look after oneself and the immediate family. As a contrast, people in collectivist cultures see the "self" as functioning interdependently with significant others within the immediate social environment. (Hofstede and Hofstede 2005, 76; <http://www.geert-hofstede.com>, retrieved 21.7.2011).

Masculinity (versus femininity), or the role distribution between genders, importance of career goals and own goals. In masculine cultures, there is a preference for assertiveness. In feminine cultures, assertiveness is downplayed and differences are resolved through compromise and negotiation. Rather than adopting a "winner takes all" approach, feminine cultures believe that both parties can win and promote cooperation. A society is called masculine when emotional gender roles are clearly distinct: men are supposed to be assertive and focused on material success, whereas when both men and women are supposed to be gentle and modest and be concerned with the quality of life – the society then is called feminine. (Hofstede and Hofstede 2005, 120; <http://www.geert-hofstede.com>, retrieved 21.7.2011).

Uncertainty avoidance is a degree of tolerance for uncertainty and ambiguity or instability. It is the extent to which the members of a culture feel threatened by ambiguous and unknown situations. In other words, uncertainty avoidance is the reluctance to deal with ambiguity and is directly related to the willingness to embrace change. Countries with high uncertainty avoidance score have little tolerance towards uncertainty and ambiguity. These countries tend to be rule-orientated societies, and as usual follow the established rules and regulations in the country. On the contrary, the low uncertainty avoidance score societies tend to care less about ambiguity and have more opened mentality to risks and changes. (Hofstede and Hofstede 2005, 167).

Long-term orientation (versus short-term orientation) stands for the fostering of virtues orientated towards future rewards and thrift. The short-term orientation stands for fostering of virtues related to the past and present, respect for tradition and fulfilling social obligations. For countries with short-term orientation respect for traditions is vital, as well as cherishing of both past and present events. In a long-term orientated society a lot of importance is given to what is to come in future. (<http://www.geert-hofstede.com>, retrieved 21.7.2011; Hofstede 1980, 65-210; Hofstede and Hofstede 2005, 209-210).

Hofstede's comparative model (1980) bears vague resemblance with Howell's (1982) and Holden's (2002) models: Hofstede went deeply into studying psychological comportment and behaviour of an individual, comparing countries and making

assumptions on how a representative of one culture would react on a particular event in comparison to the actions of a representative of another culture. The other two models offer general strategy on how the individual would presumably react, regardless of culture. However, Hofstede's model (1980) can be used as complimentary information to the two models, helping to foresee how the individual would cope with core problems presented in Figure 2 or how smoothly the four levels of cross-cultural communication, suggested by Howell, would be dealt with.

One more example of stage-by stage transition process, *an intercultural sensitivity model*, suggests a list of stages a person has to go through in order to develop intercultural awareness. As the other models suggested above, this model deals with cross-cultural communication matter. However, it concentrates more on a psychological state and mind-set of a person, evolution of one's points of views and perspectives on different culture. As a result, the multi-cultural identity is gained at the end of the transition process, where flexible views and open-mindedness evolve.

Table 1 Intercultural sensitivity model (modified from Bennett 1998, 15-17)

Stage	Factors
Ethnocentric	The one's own set of standards is used to judge all people, unconsciously.
Ethnorelative	Being comfortable with many customs and standards, adaptability to interpersonal settings.
Denial	Inability to adapt cultural differences in complex way. A person does not perceive cultural differences or perceives only a broad category, such as "foreigner", "Asian". Wide use of stereotypes based on poor knowledge of the subject.
Defense	The cultural difference is identified, but negative evaluation is attached to it. The stable worldview is threatened, foreigner cultures often identified as "underdeveloped"
Minimization	Only the superficial cultural differences are accepted, certain cultural values might be mistaken for "universal desires"
Acceptance	Recognition and exploring of cultural differences takes place, increased tolerance to ambiguity. The cultural relativity is questioned, the acceptance that other cultures are as good as the one's own.
Adaptation	The knowledge about different cultures is used; the person can take another person's perspective to understand and to be understood. Modification of the behaviour according to the surrounding culture is possible. The ability to operate effectively in other culture is gained. The shifting from one culture to another is effortless.
Integration	Reconciliation of conflicting cultures is possible, the "multicultural" identity is gained in addition to one's own ethnic or cultural identity, evaluation and interpretation of behaviour is made from variety of perspectives, "there is no right or wrong answer"-mentality is established.

The Table 1 suggests and explains the stages a person is going through when intercultural sensitivity is developed over time. The drastic change takes six stages one following another, resulting in flexible view and acceptance of various cultures. The importance of this model lies in the understanding that without this transition from the ethnocentric/ ethnorelative personality to the fully integrated personality it is not possible to embrace and understand the culture and different cultural aspects. (Bennett 1998, 15-18). In this model a whole spectrum of feelings of a person as well as competences of a person can be observed. From rather ignorant behaviour and ideas the person comes to a new, "improved" version of himself. The last stage represents a person who is not conflicting with those cultures that are nothing similar to his own. On the contrary, the person accepts and understands the great variety of cultures. This

model can be seen as a summary of the Holdens' and Howell's models presented above. Cultural dimensions proposed above put forward and clarify how exactly an individual develops cross-cultural sensitivity and abilities to communicate through cultures. Models explore and guide the progress of an individual from several perspectives, describing the change in mind-set, abilities, capabilities and knowledge of a person. Cultural dimensions of Hofstede (1980) explain and determine how fast an individual is able to absorb new knowledge and communication skills, while other models depict what are the specific changes and stages an individual has to go through in order to become more culturally sensitive.

After explanation of how an individual can improve the cross-cultural communication skills, the components of successful cross-cultural communication within a multinational corporation need to be introduced.

### **2.3 The determinants for successful cross-cultural communication within the multinational corporation**

It is important to remember that this thesis deals with the intercultural communication within the same multinational corporation. According to Bennett (1998, 2-3) understanding of the culture, levels of the culture, cultural values, stereotypes and nonverbal behaviour increases dramatically the chances for successful knowledge transfer within multicultural setting. Gudykunst (1989, 98) proposes the creation of the "third culture" that includes language patterns, communication rules, nonverbal behaviour that is familiar to participants of the knowledge transfer. The "third culture" would provide the common ground for both parties, thus making them closer and the cultural differences would diminish.

The successful development of the intercultural awareness and intercultural sensitivity increases dramatically the chances to fully communicate and understand people of different cultural backgrounds. The intercultural sensitivity model (see Table 1), is a good example of how it is possible to develop one's cultural awareness.

The Figure 3 below summarizes the factors that influence the perception of the culture and shows the passage the person has to make to become culturally sensitive.

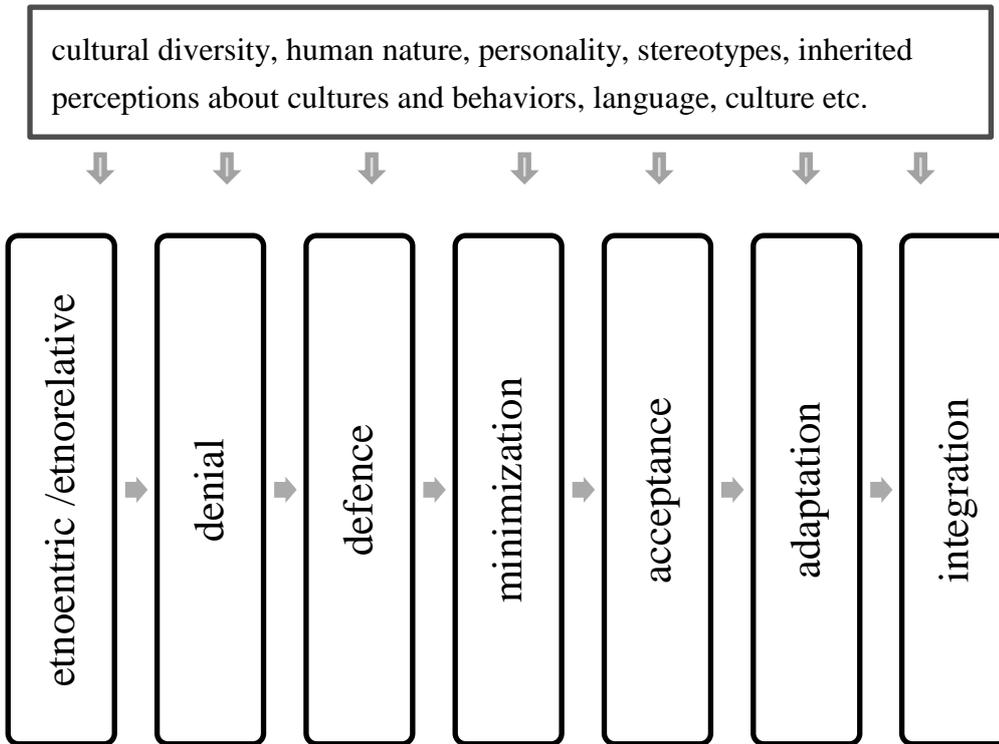


Figure 3 Cross-cultural sensitivity passage

Figure 3 shows the route that the individual has to go through in order to be able to successfully transfer knowledge in multicultural environment. In the upper box some factors that influence the person during the passage, and the seven stages of the passage itself. Power distance, masculinity/femininity, individualism/collectivism and uncertainty avoidance suggested by Hofstede (1980), Bennett's (1998) division of cultures to upper-case and lower-case cultures, and Holden's (2002) core problems and core solutions to them are the ones that influence the whole cross-cultural sensitivity passage all the time. On the other hand, such dimension as power distance can be easily shaped according to the needs and environment the person is in at the particular moment. Collectivism / individualism dimension can be switched to some extent, muted or emphasized as well.

Bhagat et al. (2002, 208) states that the individualism and collectivism influence the way of thinking of a personality, which in turn influences greatly the way the knowledge is processed interpreted and used. Therefore, once again, cultural dimensions have great impact on personality and ability to absorb and share knowledge. At times cultural dimensions shape and dictate the ability to share knowledge or receive it.

The following chapter of the thesis will explain the concept of knowledge management, knowledge transfer and look into intangible requirements to enable the smooth and efficient knowledge transfer in the multicultural environment. The chapter will also propose knowledge transfer models; look into psychological determinants of knowledge transfer along with the knowledge transfer mechanisms. Overall, the next chapter will be fully dedicated to the knowledge transfer and to its processes.

### 3 KNOWLEDGE TRANSFER

“...knowing what others know is the necessary component for coordinated action to take place” (Krauss et al. 1991, 2).

#### 3.1 Characteristics of knowledge and knowledge transfer

It is important to start off with the definition of knowledge, data and information to proceed and understand the idea of the thesis. Numerous definitions of knowledge exist. First and foremost, scholars agree that knowledge is different from data and information (Shin et al. 2001, 336). In line with Shin et al. (2001), Bhagat et al. (2002, 205) assert that knowledge is broader, deeper, and richer than data or information. Data reflect discrete, objective facts about events in our world, while information is organized around a body of data.

Shin et al. (2001, 348) describe knowledge as belief in mind, process, or object. In addition, according to Shin et al. (2001, 348), most researchers see knowledge management as a process, because knowledge is seen a competitive resource. The concept of knowledge is presented as “human understanding of a specialized field of interest that has been acquired through study and experience” by Koskinen and Pihlanto (2008, 28). According to them, knowledge is based on learning, thinking and familiarity with the problem area. Davenport and Prusak (1998, 5) in turn, argue that knowledge can also be characterized as “fluid mix of framed experience, values, contextual information and expert insight that provides a framework for evaluating and incorporating new experience and information. It originates and is applied in the minds of knowers. In organizations it often becomes embedded not only in documents or repositories, but also in organizational routines, processes, practices and norms”. (Davenport and Prusak 1998, 5).

According to Nonaka and Takeuchi (1995, 7-11) and Shin et al. (2001, 227-228), *explicit knowledge* is formal and systematic knowledge; it is codified and communicated in symbolic form or language. In contrast, *tacit knowledge* is highly personal; this kind of knowledge resides in the individual's experience and action. It is hard to formalize, systematize and therefore, difficult to communicate to others. Tacit knowledge is presumed to have more value than explicit knowledge because tacit knowledge is very difficult to articulate. The real danger of this assumption is to regard tacit knowledge per se as a central force of knowledge management. (Shin et al. 2001, 227-228).

In addition, Liebowitz (1999, ch.1, p.4) emphasizes that according to some researchers, there are indeed three types of knowledge: tacit, implicit and explicit; implicit being assessable through querying and discussion but informal knowledge. Thus, the third, implicit type of knowledge must first be located and then communicated.

De Long and Fahey (2000, 114) in turn, identify three distinct types of knowledge: *human knowledge*, *social knowledge*, and *structured knowledge*. The first on the list, the human knowledge is basically something what individuals know or know how to do. This type of knowledge can be both explicit and tacit knowledge. Social knowledge exists solely in relationships among individuals or within groups. This knowledge is tacit, composed of cultural norms that exist as a result of working together. Finally, structured knowledge is intertwined with organizational systems, processes, rules, and routines. This type of knowledge is explicit and is rule-based. Moreover, it exists separately from a human, as it an organisational resource.

The ability to transfer best practices internally is critical to a firm's ability to build competitive advantage through the appropriation of rents from scarce internal knowledge. Just as a firm's distinctive competencies might be difficult for other firms to imitate, its best practices could be difficult to imitate internally. (Szulanski 1996, 27).

Argote and Ingram (2000, 151) argue that knowledge transfer is the process through which one unit (e.g., group, department, or division) is affected by the experience of another. According to Holden and Kortzfleisch (2004, 128) the knowledge is transferred and managed because of the growing awareness that knowledge might be the key to success of the company.

To sum up, knowledge creation, development and transfer are very important for today's multinationals. Acquiring, sharing, developing, and applying knowledge are the essential operations for the organization and its longevity. Without knowledge sharing and transfer between the departments of the corporation, knowledge development and the organizational learning will not occur, and the company is destined to decline. Knowledge sharing helps to facilitate the exchange of knowledge that employees possess, thus the productive organizational and individual learning is ensured.

### **3.2 Types of knowledge and knowledge -based resources**

It is necessary to organize and name the existing types of knowledge for better understanding of the thesis. There are numerous categorizations of knowledge that exist today. For instance, Blackler (1995, 1023-1024) states that there are several types of knowledge. *Embrained*, *embodied*, *encultured*, *embedded* and *encoded*- these are the

forms knowledge can take. Below there are characteristics and explanation about each of these categories.

*Embrained knowledge* is dependent on conceptual skills and cognitive abilities. 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 explicit and resides within systematic routines. It relates to the relationships between roles, technologies, formal procedures and emergent routines within a complex system. *Encoded knowledge* is information that is communicated in signs and symbols. Books, manuals, and databases – are the examples of encoded knowledge. Rather than being a specific type of knowledge, it deals more with the transmission, storage and interrogation of knowledge. (cf. Blackler 1995, 1023-1024)

De Pablos (2006, 546) in turn, argues that there are three distinctive types of knowledge-based resources such as: *human capital*, *relational capital* and *structural capital*; structural capital being divided into technological and organizational capital.

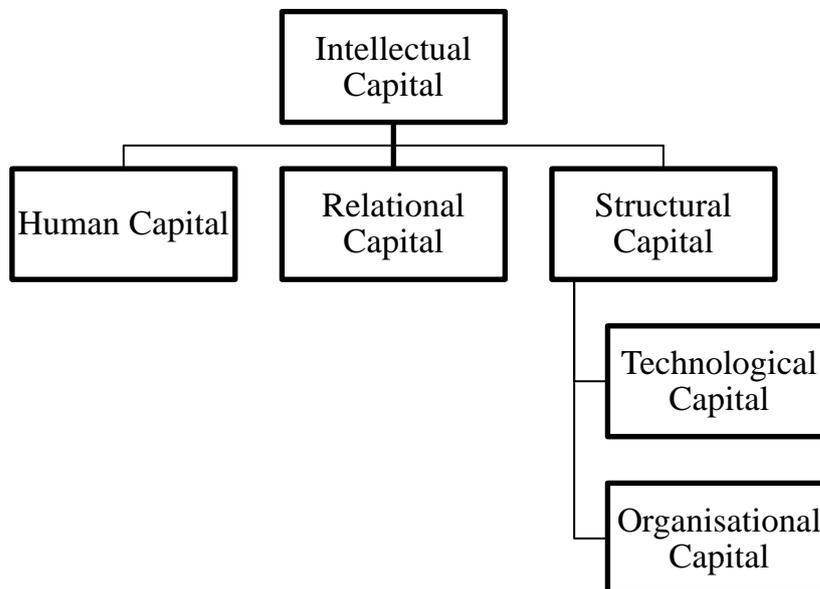


Figure 4 The three types of knowledge-based resources (modified from De Pablos 2006, 546; Chen et al. 2004; Hsueh 2007, 267)

Human capital is defined as the individual knowledge stock of the employees of an organization and there are several ways how employees can contribute to the creation of the intellectual capital of the company. (De Pablos 2006, 546). They can do so by contributing their knowledge, experiences, attitudes, skills, absorptive capacity, and emotional intelligence. A study by Huang et al. (2007, 266) argues that human capital is the essential part of intellectual capital. They include proactive response, expertise of employees and managers, and entrepreneurship in addition to the factors mentioned above. According to Chen et al. (2004, 196) human capital is the foundation to the Intellectual capital, primary element to perform intellectual capital's functions.

In contrast, the relational capital is gained by cooperation and interaction with a third party. This knowledge is external to the employees within the company and to the firm itself. Relational capital tends to become more useful when the relations with customers, stakeholders, partners and it is durable in time (Huang et al. 2007, 267; De Pablos 2006, 547).

Structural capital deals with the mechanism and structure of an enterprise that can help support employees in their quest for optimum intellectual performance, and the overall business performance can thereupon be achieved (Chen et al. 2004, 197). According to Huang et al. (2007, 267) the structural capital consists of four closely intertwined elements: system, structure, strategy and culture. (De Pablos 2006, 547) suggests dividing structural capital into technological capital and organizational capital. The first includes technical and industrial knowledge within a company – such as results of researches, process engineering, etc. The second is the institutionalized knowledge and codified experiences residing within an organization.

It is clear, that there are numerous types of knowledge, every one of them needs a special way to process, handle and transfer it. However, in its essence, knowledge can truly be divided onto only three categories- tacit, explicit and implicit. The next section deal with the knowledge transfer process coverage. Models and ways to transfer knowledge will be discussed below.

### **3.3 Knowledge transfer process**

The knowledge transfer process is essentially a transfer of knowledge from the knowledge producer to the knowledge user. The stages that come in between these two ends can vary from one researcher to another, from one source of literature to another. The knowledge transfer models presented below are various, yet the *sender* and the *receiver* ideas are present within these models.

Holden and von Kortzfleisch (2004, 129) assert that some authors talk about the knowledge transfer process as of a translation process. Holden and von Kortzfleisch

(2004, 133) point out the resemblance between the knowledge transfer process and the translation process. For instance, knowledge transfer is a sense-making activity that sometimes can encounter limitations in its ability to be transferred to others. Moreover, knowledge transfer bears the resemblance with translation process in a fact that both processes deal with transferring knowledge from head to head and therefore with information-processing abilities of people. Finally, Huysman and De Wit (2004, 87) claim “ideally when everyone knows what everyone knows people will contact each other to exchange knowledge or to effectively refer customers and clients”. Huysman and De Wit (2004, 87) state that with the growth of possibilities and opportunities of ICT and the intranet new horizons have opened up for the companies that want to organize and structure their knowledge processes. Therefore, it is possible to conclude that nowadays knowledge transfer is very dependent on technology, as with technological applications knowledge transfer can take place much faster, efficiently and effectively. Bhagat et al. (2002, 207) assert that the velocity of knowledge transfer can be accelerated when computer is used. Liebowitz (1999, ch.3 p.29) names all computer programs and applications used for the knowledge transfer process, directly or indirectly as “integrated knowledge transfer programs”. An integrated knowledge transfer program helps to create patterns to make the gathering, restructuring, distribution of knowledge easier.

Table 2 Information Technology applications for managing knowledge (modified from Coakes 2006, 581)

Who?	What can be done?	How it can be done?
Business Process Management	Enables access to business knowledge- links system to corporate policy	Decision making; corporate communications; discussion boards
Content Management	Ensures knowledge sources are indexed, retrievable, logically arranged and secure	Knowledge repository; document management; libraries
Web Content Management	Provides secure, accessible platform for KMS; protects users while assessing knowledge	Portals; browser; user systems
Knowledge Applications Management	Helps with knowledge creation, workflow mgt, provides access to tools and services	Communication, document mgt, workflow mgt, project mgt

Table 2 covers the main players in the knowledge transfer programming, specifying the task and to what extent the specific player is able to perform his/her tasks.

Knowledge transfer programs, e-mail applications, programs that help to visualize and better absorb the information transmitted, Internet, Intranet are important to both share and absorb the knowledge effectively. Therefore, the knowledge transfer programs determine opportunities and framework for coordination of different knowledge management activities and functions, often in different parts of the enterprise. They help to locate and purpose missing knowledge transfer pathways, construct balanced knowledge support programs for targeted work areas and positions, develop broadly shared infrastructure capabilities, portray knowledge transfer plans, implementation programs, and deployment expectations, and help gain an overview of the overall knowledge flows to monitor effectiveness and plan further knowledge management efforts. (cf. Liebowitz 1999; ch.3p. 28 and ch.3 p.30).

Apart from computer programmes the intangible requirements in knowledge transfer play quite a prominent role. The knowledge sharing inside the company happens when people employed in a company sharing their knowledge, the company per se, is unable to share knowledge. During sharing knowledge people tend to have their own thoughts and emotions about the process. Not a surprise that some individuals tend to be sceptical about sharing something they know with others – in other words, “what’s in it for me?” situation occurs. According to Liebowitz (1999, ch.12 p. 9) there are several requests to the employees that can come out when dealing with knowledge transfer. The first is the additional workload the person has to deal with for the company could keep up with the plan it had developed. The second opinion is that along with the “extra work the “return on investment” is questionable, as the employee might not feel that he or she will gain extra profit or benefit from performing the extra job. The third opinion is that sometimes the organisation that shares knowledge does not benefit from the information sharing, because the one who shares is not sure who will see and use it.

Liebowitz (1999, ch.12 p.9) argues that the *reward structures* often needed to be developed to encourage knowledge sharing. He also states that one of the best ways to create trust for knowledge sharing is to create “context”. Although context generally refers to an understanding of the external world, it is also a mental framework in which it is possible to place someone; therefore it gives an idea of what their internal world is, their values, ideas, beliefs, as well as their character and where there are commonalities and differences. Context has value in enabling people to discern the meaning, rationale, and justification for observed behaviours and actions. With that knowledge, the individual can then begin to develop an idea of how the other might treat them and assess trustworthiness. The possibility to be rewarded stimulates the knowledge sharing and in general shows the extensive impact on behaviours at the working place.

According to Cabrera et al. (2006, 250-252), there are several ways to favour the knowledge transfer. Firstly, the *job autonomy* is positively related to people's participation in knowledge sharing. Cabrera et al. argue that the willingness to share the knowledge can be boosted when the employee feels a certain *degree of responsibility* for his or her work. Employees who feel a high level of responsibility tend to approach their work in a more responsible way; they share their ideas with other employees more willingly. Secondly, for many employees the job autonomy equals to no precise instructions and procedures on how the certain task should be performed.

Employees who work independently tend to be more creative and responsible, as the final outcome depends solely on their own effort. The supervision and the support of co-workers influence the knowledge sharing as well. People will be more interested in completing certain tasks if they know that their work will be appreciated by the managers. There is evidence showing that people are more likely to pursue voluntary training and development activities when they believe that receiving training will result in rewards such as future chances for interesting and stimulating work, raises, promotions and other rewards (Cabrera et al. 2006, 252).

The transfer of the highly valuable tacit knowledge requires that the organizations involved offer *appropriate personal communication possibilities and channels*. These knowledge connections occur through both formal and informal relationships between individuals and groups and help to build a common language, a cross-site structure and culture. Formal and informal networks in an organization come into existence through the implementation and use of knowledge connections. (Kasper et al, 2008).

According to Bhagat et al. (2002, 207) when tacit knowledge is transferred the richer media and context are required, because the tacit knowledge requires more than codification. To summarize, there are three dimensions where the organizations have to perform at their best to ensure the effective knowledge transfer: job autonomy, all necessary tools, facilities and technology and the reward system. Along with the adequate organisational system and the requirements mentioned above, these aspects will work together to support the effectiveness of each other. Next, the psychological determinants that are necessary for knowledge transfer are discussed.

There are other necessary intangibles that help to ensure the smooth and effective knowledge transfer. They are equally important and vital, although very often overlooked by companies. The trust between the participants of the knowledge sharing process, the ability to communicate clearly and with enough bandwidth to transfer meaning, a common context or language; mentoring, to ensure that all stages of the knowledge transfer are walked through. The participants of the knowledge sharing process often need a reason or a goal for sharing, so that they can "visualize" their goal. Motivation is very important- people have to know what they are doing, why they are doing it and what their benefit is. Even though the participants need motivation and

mentoring, they also need the space to think and reflect and the autonomy to share the knowledge. It is not always possible, though. The last three intangible requirements that are crucial are the awareness that knowledge is local and often does not transfer easily. Again, the company's infrastructure should be able to support knowledge and information sharing, as well as the flexible organizational structure should be able to support knowledge sharing. (cf. Liebowitz 1999, ch.12 p.11 and ch.12 p.12 Koskinen and Pihlanto, 2008, 61-148.) Personal characteristics, such as job performance, success in training, ability to work in a team, career growth and leadership abilities play important role to ensure the positive knowledge transfer outcomes. (Cabrera et al. 2006, 253).

There are five determinants discussed in the Table 3 that help to characterize and identify whether the knowledge transfer will be successful. It is very important not to underestimate these psychological determinants; even if the knowledge transfer is organizational, organizations are still lead by people, and people have to assume the responsibility for what they do and how they perform the knowledge transfer.

Table 3 Psychological determinants for knowledge sharing (cf. Cabrera et al. 2006)

Psychological determinant (positive)	Psychological determinant (negative)
emotional stability of the person self-control stability	neuroticism depression instability insecurity anxiety
extroversion talkative sociable person	introversion silent personality reserved personality
openness to experience meaning willingness to explore new things curiosity originality	closeness to experience conventionalism
agreeableness ability to cooperate and support co-workers	rudeness aggressive behaviour
conscientiousness reliable dependable achievement oriented organized	non dependability

The determinants listed in the table play important role in knowledge sharing. Therefore, the person to share the knowledge as well as the one to absorb the knowledge should understand that the mind-set and attitude towards the knowledge sharing are equally important as the professionalism and experience. Even an anxiety that has nothing to do with the actual knowledge sharing, but that is caused by personal circumstances of a person can have an impact on knowledge sharing and receiving. Not surprisingly, knowledge sharing should be conducted in a positive mind-set and optimistic attitude. When the determinants of the knowledge transfer are being covered, it is interesting to finally look at the knowledge transfer models that permit knowledge be transferred effectively.

### 3.4 Knowledge transfer models

Several key knowledge transfer models will be presented in the section below. One of the most prominent models of knowledge transfer is the one by Nonaka (1995, 71) described in Figure 6 and known as The Nonaka and Takeuchi Knowledge Spiral or Nonaka's Four Modes of Knowledge Conversion.

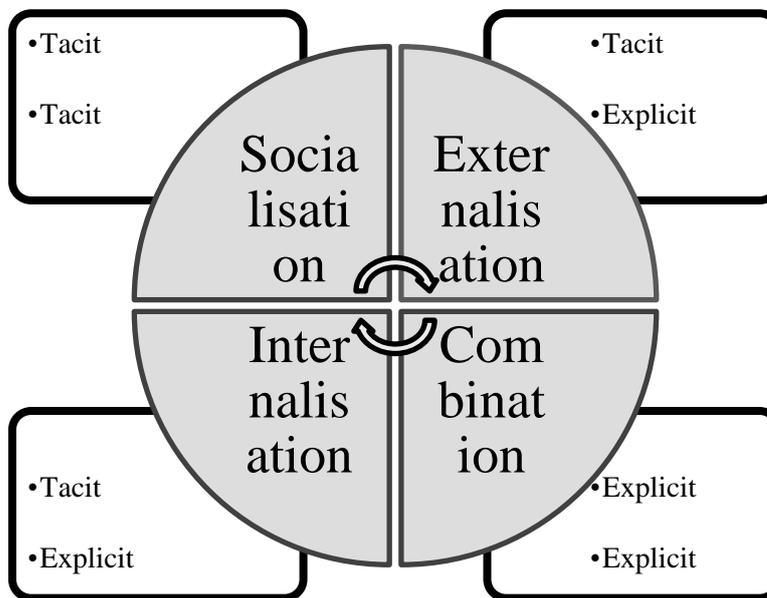


Figure 5 Nonaka and Takeuchi Knowledge Spiral (Nonaka and Takeuchi 1995, 71)

The first box in the upper left corner named "Socialisation" describes the sharing of tacit knowledge, when the tacit knowledge is transferred from one participant of the knowledge sharing process to another. In other words, tacit to tacit knowledge exchange takes place. The second box, the upper right corner named "Externalisation" shows that

the conversion of tacit knowledge into explicit knowledge takes place. This is where tacit knowledge is converted to explicit in form of metaphors, hypotheses, models. This is how knowledge one person possesses is made public. This stage is considered to be the most important stage of all. The third box is named “Combination”, it shows that during this stage the combination of the “new” knowledge and the previous knowledge is taking place. Therefore, explicit knowledge is turned to explicit. Existing elements of knowledge are combined in order to create new explicit knowledge. Documents, hand-outs or meetings might support this stage. The fourth box, “Internationalisation”, shows the explicit to tacit knowledge transaction, the final stage where the newly acquired knowledge becomes a part of knowledge that the individual possesses. (cf. Nonaka and Takeuchi 1995, 62-71). The Knowledge Spiral shows the interaction of the tacit and explicit knowledge and the transaction of the knowledge from one stage to another during the knowledge sharing. Thus, it is very important to understand that the sharing of knowledge should be seen as sharing of both tacit and explicit knowledge rather than just tacit or explicit knowledge.

The next model is by Szulanski (1996, 28-30). It introduces the stages of the knowledge transfer by featuring only the essential four steps of knowledge sharing, as shown below:

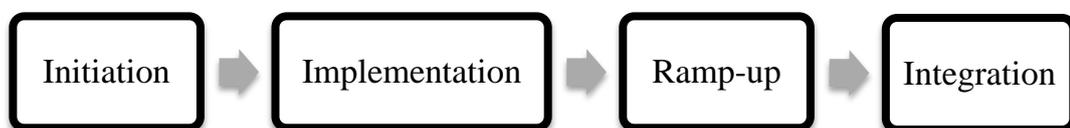


Figure 6 The four stages of the knowledge transfer (adapted from Szulanski 1996, 28-30)

The figure introduces the knowledge transfer stages. The first one is the *initiation* stage. It is the stage when the need for the knowledge transfer is identified and the decision to transfer knowledge is made. The second is the *implementation*; it starts with the decision to transfer knowledge. During this stage the knowledge flows from the source to the recipient. Thus, the certain transfer ties between the recipient and the source are established and they can share knowledge multiple times in case of a need. The third, the *ramp-up* stage starts from the first day when the recipient uses the acquired knowledge. It is common that the recipient uses the acquired knowledge inefficiently during some time in the beginning. The *integration* is the last stage of the knowledge transfer. During this stage the recipient achieve satisfactory results with the

acquired knowledge; the relations with the source of the knowledge stabilizes and further knowledge transfer flows smoothly according to the previous template. The practice of knowledge transfer institutionalizes and becomes a part of everyday operations. (cf. Szulanski 1996, 28-30).

Here is another model of the knowledge transfer process. The knowledge transfer process consists of four stages according to Chini (2004, 15):



Figure 7 The knowledge transfer process by Chini (2004, 15)

The model presents above has four stages, the first being “initiation” stage where transferred knowledge is recognized. The following is the “adaptation” stage: knowledge is changed at the source location to the perceived needs of the recipient. During “translation” stage alterations occur at the recipient unit as a part of the general problem solving process of adaptation to the new context. Finally, the “implementation” stage takes place; during which knowledge is to become an integral part of the recipient unit. Chini (2004, 15).

It is important, however, to bear in mind that this thesis deals with the knowledge sharing within a multinational corporation. Thus, according to Govindarjan and Gupta (2000, 475-489) the knowledge transfer between units of the multinational corporation can be seen as three separate components: knowledge outflow from the source subsidiary, knowledge inflow into the target subsidiary and knowledge transfer mechanisms.

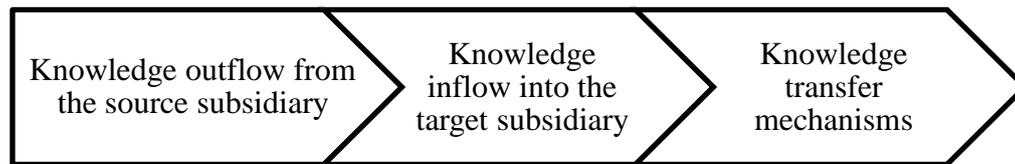


Figure 8 The components of knowledge transfer between units of the multinational corporation, adapted from Govindarjan and Gupta (2000, 475-489)

The outflow of the knowledge from the source is dependent on the motivation of the source and on its willingness to share knowledge. Whereas the inflow of the knowledge depends on the willingness of the recipient to accept the knowledge, his or her absorptive capacity and general ability to acquire, position and assimilate for further use. Knowledge transfer mechanisms are the mechanisms that are involved into the knowledge transfer process by the people involved into the process. (cf. Govindarjan and Gupta 2000, 475-489).

It is imperative to discuss the last three figures as they bear quite a big resemblance. They were picked to illustrate a wide variety of names some scholars come up with to illustrate fundamentally the same things. At times it can be confusing for people who see a dozen of various transfer models that deal with the same thing, but just have different names. Hence, these three models by Szulanski (1996, 28-30); Chini (2004, 15) and Govindarjan and Gupta (2000, 475-489) have same components to them. Initiation phase is when the knowledge transfer starts. Adaptation phase means simply the acceptance of the initiation knowledge transfer process, and the change this knowledge transfer process will bring eventually. Actual knowledge transfer stage and integration of the received knowledge follow as the third and fourth stages. These models are linear and rather simple; they show a continuous process which is repeated every time the knowledge is transferred. Models are very logical as well. However, knowledge transfer, especially when in an international setting deals with more complicated layers: people, language, culture, moods, behaviours, and so forth. Therefore, it is reasonable to look also at other models and mechanisms of knowledge transfer. Such as, knowledge transfer tools, e.g. items and tangible things that enable better knowledge transfer, as well as an insight into a complexity of knowledge transfer process itself, such as a ways of communication by Mead below.

There are many more knowledge transfer models that are used by the companies when the knowledge sharing is taking place. The model below is the knowledge transfer model by Miesing. According to Miesing et al. (2006, 116) a multinational organization encourages the knowledge flows in both directions- to and from parent and subsidiaries, as well as throughout the rest of the organization's system. The model proposed by Miesing et al. (2006, 116) argues that transferring of the knowledge between subsidiary and parent or between organizational units requires three key activities: creating, sharing, and using knowledge.

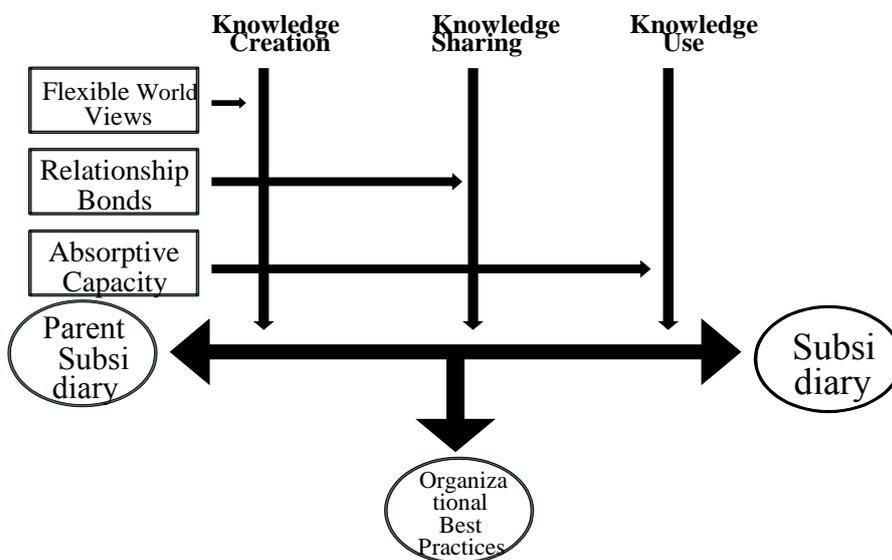


Figure 9 Model of global knowledge transfer within multinational corporation  
(modified from Miesing et al. 2006, 116)

According to Miesing et al. the creation of knowledge within an organization will increase if members have flexible world views, meaning that the employees involved into knowledge sharing might have different backgrounds, come from diverse community and have different perspectives and points of view on the same problem; hence the knowledge created during the interaction of such heterogeneous population is more valuable. The process of knowledge sharing and creation also requires greater amount of trust within this particular group of people, though. The transfer of the organizational knowledge across organizational units will increase when the relations with the distant organization members become closer. And the last proposition is that the use of the organizational knowledge will increase, as well the absorptive capacity in the organizational units will increase. (cf. Miesing et al. 2006, 115-120).

Buckley and Carter (1999, 90) argue that there is a *dozen of major knowledge-transfer mechanisms* through which knowledge flows across borders and from unit to unit. The mechanisms mentioned fall into three main categories: personal communication, codified communication and embodied knowledge transfer. The personal communication group includes mechanisms such as personnel transfer, electronic mail, groupware, telephone, video conferencing, face-to-face meeting, training seminars and courses, specialist knowledge transfer groups (communities of practice, communities of interest). The second group, codified communication, includes mechanisms such as electronic data exchange, fax, written reports and manuals. The third group, embodied transfer, includes mechanisms such as product, equipment, rules, procedure and directives.

Mead (2005, 105) identifies two ways of communication: *one way and two-way communication*. The choice between the two methods is made on the basis of the specific need for communication and the task that communication has to perform. Therefore, the two participants (the “addressor” and the “addressee”) communicate as follows. In a nutshell, the sender makes a decision on what has to be communicated. The sender encodes the message and sends it. The receiver, in turn, decodes the message and acknowledges it and acts accordingly to what the message had to transmit. In the one-way communication the sender plays a leading role, and the receiver is having a secondary role. In contrast, the two-way communication style is similar to one-way, but the difference is that the active participation of the receiver occurs during the transmission.

Therefore, the sender decides on a content of a message that is to be sent, encodes it and sends the message. The receiver decodes the message and decides what comment has to be transmitted back to the sender and encodes the appropriate feedback. The message- the answer to the original message is sent to the sender, who in turn decodes the received message. Finally, the sender ( who was originally the sender, but now acts as a receiver) decides if a reply should be send back to the sender ( who acted initially as a receiver), or simply act accordingly to the message. (Mead 2005, 105).

In the two-way communication, however, both the sender and the receiver contribute significantly to the knowledge transfer. Surely, the amount of contribution varies on what type of message has to be send and if the sender or the receiver should take more time transmit a longer message. Furthermore, the initial roles of “sender” and the “receiver” or the “addressor” and “addressee” become blur and unclear and may switch several times during transmission. (Mead 2005, 106).

The choice of one-way communication style vs. the two-way communication style is dictated by several determinants. For instance, how prompt the task is, how simple it is, whether it is a routine task or an open-ended one. As an example: if the message that should be transmitted is urgent the one-way communication strategy is best. The two-

way communication style hinders the efficiency and promptness of the transmitted message. The one way style is preferable over the two-way style when message to be transmitted is rather simplistic and does not require specifications or precisions. On the other hand, when the message is complex – the possibility to specify the task and clarify the unclear points should be given to the receiver – thus, the two-way communication style should be chosen. The same logic as to the “simple-complex” dimension should be applied when the routine and non-routine message or task is transmitted. It goes without saying that a non-routine task transmission might require additional clarification from a sender and might result in supplementary questions from a receiver. The close-ended task or message transmitted normally does not evoke questions to the sender from the receiver. An open-ended one, contrary, while having a number of possible outcomes might evoke questions, need for clarifications and additional information. The receiver might have a different opinion and argue on the certain points of the message with the sender. (Mead 2005, 107-112).

The one-way and two-way style of communication bears resemblance with the Power distance of Hofstede (2005, 45). The bigger the gap between the cultures (the larger the power distance index is) - the greater the possibility that the messages and information will be transmitted in a one-way. The one-way and two-way communication come most closely to the way the knowledge is transferred in the Training centre, which is the case study to this thesis. The resemblance of the communication patterns in the Training centre and considerations will be discussed further in the data analysis section.

According to Minbaeva (2007, 571-572) the choice of transfer mechanism depends on several variables. Firstly, the type of knowledge to be transferred. For example, in case of tacit knowledge, the different mechanisms of personal communication are the most appropriate ones. Secondly, it depends on the intended business uses of the knowledge to be transferred. For instance, if the transferred knowledge is required to improve a certain business process then procedures and directives could be the proper transfer mechanisms. Thirdly, it depends on the target subsidiary organizational context, such as breadth of knowledge dissemination (the number of the individuals to whom the knowledge is being transferred). For example, codified communication mechanisms, such as written reports and manuals, and embodies transfer mechanisms such as rules, procedures and directives, are suitable for wide dissemination of knowledge.

As a conclusion it is possible to say that knowledge transfer is a complex process in general. Sometimes, though, knowledge transfer models appear to be simple and easy to understand, and sometimes it is truly simple and easy to transfer knowledge, indeed. However, in some situations, a lot of factors rather than just knowledge transfer should be taken into consideration. For instance, psychological state of a sender and that one of the receiver; tangible and intangible requirements and opportunities of sender and the

receiver; personal computer and other electronic appliances availability, interpersonal relations between sender and receiver and the bond between the two or more people. And finally, the type of the knowledge transferred. It is vital to understand that one knowledge transfer mechanism could work well with one type of knowledge but fail with another.

### **3.5 Impact of culture on knowledge transfer**

The research question to this thesis combines two key concepts – the cross-cultural communication and knowledge transfer. The four sub questions unite these two concepts, step by step introduce different relevant frameworks and tools to cover the sub-questions' area. Therefore, the brief cover of the whole knowledge transfer process is needed. Knowledge sharing requires that certain tools would be available to carry out the exchanges. The tools and systems that facilitate knowledge sharing in organizations are usually known as knowledge management systems. (Davenport and Prusak 1998, 18-20).

Once the knowledge has been acquired it has to be stored somewhere to ensure the safety and quick retrieval whenever needed. Taking into consideration that each multinational company has an extensive intranet network and active use of it almost every day- the electronic storage, or coding the knowledge to the electronic form and then storing would be logical.

Furthermore, there are several applications that can be used for every need in terms of knowledge management. Knowledge management comprises a range of practices used by organizations to identify, create, represent and share knowledge for reuse, awareness and learning. It is typically tied to organizational objectives and is intended to achieve specific outcomes, such as shared understanding, improved performance, competitive advantage or higher level of innovation. (Koskinen and Pihlanto, 2008, 25). For example: Portals and Intranet can be used to share knowledge. Office systems, such as Word Processing, Imaging and Web publishing along with Desktop databases and electronic calendars can be used to distribute knowledge. Virtual Reality and Computer Aided Design help in creating knowledge. (cf. Coakes 2006, 581-583).

Haghirian (2003) asserts that that the process of knowledge transfer depends on the organizational' terms and conditions, and culture-specific influences play important part in knowledge transfer. Therefore, the culture does have an impact on the knowledge transfer. In fact, Haghirian (2003) sees the intercultural knowledge sharing just in terms of two variables- *the sender* and the *receiver* and the factors affecting them. It is recommended to undertake the management measures and practices in order to decrease

the communication difficulties. For instance, the learning ability of the sender and the learning style of the sender are said to have direct impact on the knowledge transmitted.

People teach or transfer knowledge in a different way according to their cultural learning styles. Different learning styles may lead to miscommunication and inhibit successful knowledge transfer. (Haghirian, 2003). Moreover, Haghirian asserts the cultural openness of the sender influences the cross-cultural communication and the success of knowledge transfer in general. Therefore, the main and most important task of the successful knowledge transfer lies upon the sender of the knowledge, not the receiver. Similarly, Simonin (1999) states that the cultural distance has its impact on the knowledge management and sharing, as well, as it tends prevent the members of the multinational corporation from understanding each other.

Nevertheless, the successful implementation of the knowledge transfer process is possible, even though it is complicated and lengthy process which requires effort from both sides- the sender and the receiver. Once the knowledge sharing is completed the assessment of the knowledge transfer can be made. According to Haghirian (2003), the measurement of successfulness of the transfer should be done taking into consideration economic and personal benefits obtained from the knowledge transfer. Successful knowledge transfer is predicated on an understanding of its origins, people, and processes. Engaging in knowledge transfer is a risky venture and some degree of confidence must exist between the parties to “do the right thing”, even if doing so is at the behest of the home office. If relationships are perceived to be poor, then significant resistance to change will occur even if subsidiaries realize that they can benefit from knowledge transfer. Hence, the home office may be forced to devote significant scarce resources to actively managing the process. (cf. Lucas 2006, 260).

To summarize, several key points have to be taken into account when transferring knowledge cross-culturally. First would be the individual characteristics of a sender and a receiver. Everything, from their interpersonal relations to their state of mind will positively or negatively impact on the knowledge transfer process. Needless to say, the motivation and willingness to learn and to teach contribute a lot to the knowledge transfer process. When the cultural setting of a sender or a receiver is understood and accepted- it is much easier to interact and share knowledge than it would be when there is a clash of cultures or mind-sets. The right cultural and personal setting is useless unless a right knowledge transfer mechanism is chosen for knowledge transfer process. Not only the knowledge transfer model should correspond the knowledge transferred, but also computers, computer programmes, comfortable rooms for meetings and even blackboard should be readily available to enable the smooth knowledge transfer. Successful knowledge transfer is a perfect synthesis of an eager mind, calm and comfortable atmosphere and a thoughtfully picked knowledge transfer mechanism.

## **4 METHODOLOGY**

In this section the research process will be described step by step. The section will also include a brief introduction of the Training Centre, the research approach argumentation and data collection process description.

### **4.1 Research approach**

The purpose of this work is to study the influence of the cross-cultural aspects upon the knowledge transfer within multinational company.

The qualitative research approach is the one chosen for this thesis. According to Marschan-Piekkari and Welch (2004, 5) the qualitative research method is a minority within international business field, and qualitative researchers often have to defend the qualitative approaches they have chosen.

In many quantitative methodology books qualitative research is often seen as a minor methodology, and therefore it is suggested that it should only be used at early stages of a research. However, some researchers argue that the qualitative research is better suited for descriptive studies than for the statistical studies (c.f. Silverman, 2001, 32-33). The qualitative approach used for this thesis is justified below.

The two matters were aimed to be investigated for the thesis: the knowledge management and culture. Järvinen (2004, 3) proposes that the problem dominates the method selection, not vice versa. The qualitative research approach was seen as a better option due to the descriptive nature of this thesis. The phenomena of cross-cultural knowledge transfer in a multinational setting were aimed to be explored. Therefore, it was needed to uncover, describe and explain the phenomena using various sources of information, such as books, articles, and interviews. For these particular manipulations with data and information the qualitative approach was considered as the most suitable.

The qualitative research approach and the case study were prioritised by the researcher as no statistical data gathering or hypothesis testing was intended for the research. That was due to the personal preferences mainly. For the researcher it was important that the topics the thesis would have dealt with would have been inspiring and motivating. The themes of culture and knowledge transfer are of the interest to the researcher, as well as descriptive and exploratory techniques in conducting research. As a consequence, topics and research approaches mentioned above were chosen for the thesis.

The introduction of the case study to the thesis would presumably have enriched the research with the comments and experiences of people who dealt with knowledge

transfer for longer period of time. Thus, their abilities and competences in knowledge transfer in a multinational corporation would be rather well-grounded.

This thesis is based on a case study. According to Ghauri (2004, 109-110) study cases provide insight into an issue and optimize understanding of a particular situation or a problem rather than generalization. This was exactly the intention of this work – to get an insight to the problem from the point of view of particular working environment. The thesis outcomes may not be applicable to other multinational companies or training centres existing at the moment. Yin (2003, 1) stresses on that case studies are the preferred strategy when how or why questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life context. This is exactly the case, when the phenomena is explored, described and summarised rather than to analysed statistically.

Furthermore, Yin (2003, 1) argues that the exploratory case studies, such as the above-mentioned Training Centre case, are of two types – exploratory and descriptive. This case study will include element of both – with the help of the interviews the issue of knowledge transfer will be explored and described in further section of this thesis. Yin (2003, 3) asserts that the majority of famous case studies are both exploratory and descriptive; the fact that this thesis includes both elements is rather common. To add, Yin (2003, 2) argues that the case study method allows to retain the holistic and meaningful characteristics of, for example, organizational and managerial processes, which is the air of this thesis – to cover the knowledge transfer process in an multicultural context.

The negative sides of the case study approach according to Denscombe (2005, 39) are several. The issues of generalization and credibility should be explored carefully by the researcher, and it should be identified to what extent the particular research bears resemblance or is different from others already available in the field. It is argued that case studies are suitable for describing a particular phenomenon but are unsuitable for analysis and evaluations of phenomenon in question. Last but not least is the difficulty to access documents, people and settings, as the access to these information sources is a main pillar of the research.

To summarize, one of the main reasons why the case study was chosen for this thesis is at best reflected by Yin (2003,8) “the case study’s unique strength is its ability to deal with a full variety of evidence – documents, artefacts, interviews, and observations – beyond what might be available in a conventional historical study”.

It was questionable whether it is reliable to hypothesise, assume, or draw conclusions using only a handful of interviews. The answer to this question was given by Yin (2003, 10), that states that case studies, like experiments, are generalizable to theoretical propositions, and not to populations and universes. It is important to bear in mind that

the outcomes of the research would be presented in a form of a pattern that is proven to be working, a suggestion for managers, but not in a form of a ready to use theory.

Denscombe (2005, 37) encourages to assess if the facts presented in findings of a research are generalizable. Denscombe (2005, 37) points out that all the necessary information should be provided that would help to make judgment on generalizability of the findings. Key issues of reliability, trustworthiness and others are discussed further on in this chapter.

## **4.2 Criteria for case selection**

Due to the privacy matters the case company is kept anonymous. Oliver (2003, 78) argues that there are several ways to make the research anonymous: for instance, removing all names from the data analysis section. Another way to conceal the identity is to substitute names with letters. The other way of covering the sensitive data can be used – the fictional names for the research participants or the company. Oliver (2003, 80) states that, on the other hand, that there is no absolute guarantee of anonymity. However, some details were unveiled to explain what kind company is in question: the permission to reveal the company in question was obtained from every person interviewed. Moreover, the permission to reveal their names was obtained, on a condition that their names and company's name would be only used for this research. Regardless, the research does not reveal the name of the company. Neither does it the names of trainers that participated in the research. It might have been an eye-catcher to put the name of the company in a title to the thesis, reveal the names of participants and other sensitive data, but at the time of writing and analysing results the researcher decided to keep the data discrete, so that in case if the research would have been read or copied by a third party, other than the researcher and the thesis supervisors- the certain level of anonymity would have been still maintained.

Thus, the company is an international company, and it claims on its website to be a “global leader” in complete lifecycle power solutions for both marine and energy markets. In 2010 alone, the company's net sales totalled 4.6 billion euro. The company is currently employing around 18 thousand employees worldwide. According to the company's website, it is operating in 70 countries around the globe and has approximately 160 locations worldwide. The company is also listed on the NASDAQ OMX Helsinki, Finland.

The operations of the company in question is divided into three building blocks, two being production units, and the biggest one – services unit. The Service unit of the company employs currently more than 11.000 people; it provides maintenance and services, as well as training to the customers.

The practical part of this thesis is based upon the interviews that were given by the services unit employees. More specifically, by the employees of the Training Centre that is a part of the service unit. In fact, there were two Training Centres in two countries, people of which were interviewed. Training Centres are situated in Turku, Finland and in Trieste, Italy. The training centre of the multinational company is the unit where the clients get the hands-on instruction on how the products of the company should be treated: how the products operate, their basic description, technical matters, etc.

When a client acquires a specific product from a company he can also buy additional service – training of the staff that will be operation this product. The typical training course is from 2 to 5 working days, depending on a product. The cost of a typical course is around 1500 euros per person per course of 5 days. There are ten sites around the globe where the courses can be conducted (e.g. the client attends the company's premises). The Training Centres can be found in the Americas, as well as in Asia and the continental Europe. Sometimes clients call the trainer to attend clients' premises and the course can be conducted at the client's premise as well.

Being a multinational company and selling across borders, the company's clientele comes from different countries around the globe. Consequently, the trainers that are working in the Training Centre encounter people of different cultural backgrounds on a daily basis and teach them how to use their products on a daily basis, too. Trainers interact with international clients, know how to efficiently transfer knowledge to people of a different cultural background. As a consequence, the training centre, and trainers were seen as suitable candidates for interviewing for this research. It was a good and challenging experience for the researcher to get to interview the employees of a company that is so large-scaled.

### **4.3 Data collection**

Silverman (2001, 11) states that there are four major data collection methods for qualitative studies: observation, analysing tests and documents, interviews and recording and transcribing; and these methods are often combined.

The data for this research was collected by interviewing. At the root of interviewing is an interest in understanding the lived experience of other people and the meaning they make of that experience (Seidman 2006, 9). Yin (2003, 89) states that interviews are one of the most important and essential sources of case study information. Daniels and Cannice (2004, 192-194) recommend to procure a question checklist to have control over the areas that have been covered during the interview and what still needs to be covered.

### *4.3.1 Access to interviewees*

First and foremost, there were several complications on the way to “enter” the Training Centre and gain access to the e-mails of trainers that could have been of use for this research. According to Seidman (2006, 12) interviewing requires that researchers establish access to, and make contact with, potential participants whom they have never met. Daniels and Cannice (2004, 192-194) assert that “when initially contacting a company, it is always best to write to a specific person”. The authors also suggest sending a formal request upon a possibility to conduct a study or interview to the potential research participants.

Sending of numerous e-mails was necessary in order to obtain an answer from the company. It is obvious that employees in international companies take part or help students with information rather rarely. It is of course due to quite busy schedule and hectic working timetables. After it was possible to get through a “gatekeeper”, it was just a matter of several months to set the date and carry out the actual interview sessions. Oliver (2003, 39) defines a “gatekeeper” as a “person who controls access to a location where it is hoped to carry out research”. No matter how interesting or potentially useful the research, gatekeepers will inevitably have concerns about the impact of the research on the organisation (Oliver 2003, 39). Thankfully, the “gatekeeper” gave e-mail addresses of those people who then became interviewees for this work.

It was rather challenging to match the schedules of the interviewees in one day, as they wanted to be interviewed as fast and possible. During the negotiations about the exact time and day of the week it turned out that one of the interviewees had to go abroad for a work trip. He was promptly substituted by another trainer of the Training Centre.

The criteria for choosing interviewees were several. Firstly, trainers were supposed to have an access and regular work with a multi-cultural clientele. It was self-evident that trainers ought to have a decent English command. It is a case with all employees of the Training Centre in both countries, Finland and Italy- otherwise the contact with the multinational customers, as well as the communication with other units of the company would have been impossible. Secondly, trainers were supposed to be active in training, therefore in conducting courses on a regular basis. Table 4 illustrates a short summary of educational and working background of trainers that have been interviewed.

Table 4 Short summary of Trainers' personal data

<b>Trainer's Name</b>	<b>Relevant Education</b>	<b>Current Position</b>	<b>Years of work in the company</b>	<b>Teaching Background</b>
Trainer A	No relevant education (e.g in Engineering, Mechanics or other Marine-related field)	Senior Trainer	Since 1982. Left company 7 times. Now working for 2nd consecutive year	Former Teacher
Trainer B	Marine Engineer	Trainer	Since 2007	None
Trainer C	Electrical Engineer	Senior Electrical Trainer	Since 2009	None
Trainer D	Naval Military Boarding School	Trainer	Since 2000	None

The specification here is needed: Trainer A stands for the first trainer that have been interviewed. Respectively, Trainer D stands for the last, fourth respondent that had answered the questions of the researcher.

It is evident that the background of trainers is various, and no one, except for the Trainer A actually had teaching background. He believes that it helps him to some extend when he has to conduct courses and keep the attention of people who attend his courses. Contrary, the Trainer A has no Marine-, Engineering- or Mechanical- related education. The amount of years each trainer had worked in the company varies, as well as the amount of years in the company is not a guarantee of becoming a senior trainer.

#### **4.3.2 *Semi-structured interview as a tool for information gathering***

Denscombe (2005, 165) stated that the use of interviews for qualitative research can be justified if the data obtained from interviews is based upon "privileged information", e.g. the data obtained was given by the key people of the industry, and have the experience in a field in question. Thus, it was determined by researcher that it is relevant to use interview approach for this research. According to Daniels and Cannice (2004, 186) interviews are optimal when there is a small population of possible respondents, and the focus should be made on the depth of collected data when the breadth is not possible to achieve. In line with literature the author of this research felt the same about interviews versus other available ways to gather information. The fact that the interviewees were very busy people left no place for other type of information gathering other than one-to-one interview. Denscombe (2005, 167) states that one-to-

one interview is usual of two forms: unstructured or semi-structured. The one-to-one interview means that the researcher and the informant are to meet privately without the third party, which is relatively easy because only two people have to match their schedules in order to find the most appropriate time for the encounter.

According to Järvinen (2004, 141) the semi-structured interview is “the one that is something that is not a free discussion, but not a very structured questionnaire as well”. It is carried out by interviewer using the interview guide, and topics are discussed freely in rather informal manner. Semi-structured interview was chosen for its strength – through it the details of people’s experience from their point of view can be understood (Seidman 2006, 130). Therefore, the most suitable to semi-structured interviewing are open-ended questions, which were favoured by the. An open-ended question, unlike a leading question establishes the territory to be explored while allowing the participant to take any direction he or she wants (Seidman 2006, 84).

The use of the interview guide (Appendix 1) and the operationalizational table (Appendix 2) was encouraged to ensure that no essential information was overlooked due to the limited time of the interviews. The interview guide worked as a framework to the research, and even if the respondents gave answers to the question posed in different order, it was easy to keep the track of all answered and unanswered questions. The operationalizational table is attached in the Appendix section. The table was made specifically to bring out the main topics that were covered during the interviews; the theoretical coverage of the respective topic is also shown in the table. It was necessary to ensure that every question can be answered both in practical and theoretical ways.

No other way of information retrieval would have been suitable for this research. For instance, the questionnaire would be only too time consuming for the respondents and too unreliable, as they could well end up in junk mail section, and never be responded to. Moreover, all questions of the interview guide could be answered in about 30 minutes, and it was possible to do during a lunch break of an interviewee.

According to Yin (2003, 86) the interviews have weaknesses and strengths. Bias due to poorly constructed questions, response bias, inaccuracies due to poor recall, reflexivity – interviewee gives that the interviewer wants to hear. Interview questions were constructed and agreed upon with the thesis supervisors; reviewed and approved beforehand. In addition, she was neutral when posing questions or commenting answers during interview.

The interviews had to give the answers to the main question and the sub-question of this study. The interviews were structured and consisted of at roughly 30 open questions. Shank (2006, 51) advises to “better asking too few questions or getting through too few of researcher’s questions than forcing answers to too many questions”. In line with Yin (2003, 90), case study interviews are most commonly of an open-ended nature. However, the interviews for this thesis were focused interviews, still

maintaining its open-ended nature, the respondents were interviewed for a period of time, around 35 minutes to 2 hours but the interviewer still followed the predesigned questions to stay in line with the thesis' main topic. Depending on the situation, several closed questions were also asked. Open questions provide a broad opportunity to respond (Salkind 2006, 310); thus the respondent would have been able to give valuable additional information that will be used for covering the research questions. The interviews were conducted using the voice recorder and were transcribed afterwards.

Interviews took place in the beginning of 2011, namely three interviews were conducted in January and one in February. That is due to the fact that the three January interviews were recorded in Turku, Finland, and the last one in Trieste, Italy. The language used for interviewing was English for the Finnish-based interviews and Italian for Italian interview. No questions were e-mailed to the respondent beforehand, although they knew the topic that would have been discussed. The interviews suffered no interruption. The length of interviews varied from 35 minutes to 2 hours.

Yin (2003, 92) states that using recording devices is in part a matter of a personal preference, however, audiotapes provide more accurate rendition of any interview than any other method. The fact that the audiotape and audio track will remain after interview and the interviewer does not have to make notes during the interview played a major role in favouring this data capturing method for this thesis. Yin (2003, 92) states that there are several occasions when the audiotapes should not be used. For instance, when the interviewee does not give his permission to use the device in his presence, the interviewer is clumsy with a device, or the device acts like a substitute to careful listening and following of what the interviewee is saying. However, this was not a matter of concern, as the researcher knew how to use the device, had a pair of new batteries in case the other pair would have failed, and most importantly had permission of every interviewee to record the interview.

Oliver (2003, 45) argues that it is important that the participants should also be informed of the way in which they will be identified on the tape. Interviewees were informed that their names would not appear in the thesis, although they gave a permission to put their real names in writing.

#### **4.4 Data analysis and data display**

The data transcription was new to the researcher. According to Silverman (2008, 288) the transcription is a skill that can only be acquired through long enough training. It is also argued that it is important that an experienced transcribe could supervise a beginner. It is suggested by Silverman (2008, 288) that a correction of transcripts by someone more experienced would benefit a beginner in transcription. Alternatively, the

transcription by a colleague can be advisable to verify the initial transcription and identify the aspects and issues that were not noted by the transcriber. There was no experienced colleague to help with transcribing, nor was the help asked for. This is for two reasons: the thesis is an independent work and the confidentiality concerns she did not want to compromise. Keeping material confidential means no one sees it other than the interviewer (Seidman 2006, 70). It was decided that it was better to transcribe in amateur way than to compromise the research.

According to Saunders et al. (2003, 382) data display is taking the processed and reduced data and displaying it in organized and condensed manner. Data might be displayed in charts, graphs, diagrams, frequently mentioned phrases and drawings. The layout of the data has to help to find the patterns and generalize events or phenomenon to facilitate the conclusion making. Moreover, the researchers have moral responsibility in terms of reporting their research accurately and in a style of writing which is accessible to the reader (Oliver 2003, 146). Therefore the language of the data analysis section was kept clear, simple and concise. The data presented in this thesis takes the form of tables and phrases, as they are the best tools to mirror the qualitative research outcomes.

The interviews were conducted according to the operationalizational table and the interview guide. This is the way the questions were posed to the respondents and the answers to the questions appear on the audio tape. However, sometimes the respondent managed to “jump” from one question to another, involuntarily. In such case, the possibility was given to the respondent to finish answering the question without interruption and the researcher was getting back to the questions that were left unanswered. The material was transcribed in the same way it was on the audio tape. For the thesis, however, the grouping of all answers was applied. As a role model, the operationalizational table was used: all questions in it go in the same order as they would go in the thesis. Therefore, the questions were grouped in four groups, one per every sub-question of the thesis. Answers to the questions were listened group by group, rather than respondent by respondent. In other words, when answering sub-question 1 of the thesis, all the materials from all respondents concerning sub-question 1 were listened to as well. Some outstanding quotes were put on a separate paper and signed according to the author of the quote. If some question was skipped and covered in other question- this information was also signed to avoid confusion. After having carefully listened to the answers given by the respondents, the stage of the covering of the topic would come. The topic would have been covered by combining answers to the same question. Therefore, each sub-chapter has approximately 4 – 6 answers from each interviewee. That makes approximately 16 – 24 answers in total to cover one sub-question. The questions which the respondents would have answered similarly simply states that the respondents were agree on the certain matter. Whenever the trainers had

different points of view or had stated something that was not covered before- the specific answer was shown, sometimes the answer was reinforced by a direct quote from the interviewee. The researcher considers the insertion of such quotes a beneficial for the thesis – not only they give the credibility to the research but also help to transmit the exact sense of what was said without alterations. It is especially valuable when the language of the respondent is particularly vivid and descriptive.

## 4.5 Trustworthiness of the research

The trustworthiness of the research can be assessed by certain criteria. Some of them are typical for qualitative, other for quantitative. Thus, Lincoln and Guba (1985, 300) argue that the terms validity (being external and internal validity), reliability and objectivity correspond to credibility, transferability, dependability and conformability. The last four terms are mainly used in qualitative research. In this section the main pillars of the trustworthiness of the research will be covered. In line with Lincoln and Guba (1985, 300), Yin (2003, 33) argues that the main tests for judging the quality of research are trustworthiness, credibility, confirmability and data dependability. Yin (2003, 33-34) however, states that the four quantitative criteria are applicable when conducting a case study. Since this is a qualitative study with a case study in it, all eight criteria might be applicable.

**Reliability** of the research, according to Kirk and Miller (1986, 20) is a degree to which the finding is independent of accidental circumstances of the research. Kirk and Miller (1986, 20) argue that reliability and validity are “by no means” symmetrical, as the research can be perfectly reliable with no validity at all. Paradoxically, the perfect reliability will ensure the perfect validity. According to Lincoln and Guba (1985, 292) reliability is a precondition to validity: an unreliable measure cannot be valid. Lincoln and Guba (1985, 292) argue that the reliability can be threatened by various factors, such as careless acts in measurement, careless assessment, ambiguities of various sort, and assessments that are made inappropriately. Yin (2003, 34) states that reliability is a demonstrating that the operations of the study can be repeated with the same results. Yin (2003, 37) affirms that the aim of reliability is to minimize the errors and biases in the study. Denscombe (2005, 273) suggests that in a qualitative research researcher herself or himself is an integral part of research instrument. It is advised that the researcher asked the question to oneself – whether the same result would be obtained if the researcher would have been someone else? If interviews would have been analysed by another researcher, the outcomes would have been the same. That is because no extra or irrelevant data was added at any stage of the data retrieving, analysis and displaying. Denscombe (2005, 274) suggests to keep the audit trail – the detailed specification of

every step of the research. The audit trail of the research- step by step specification of what have been done was always kept during data analysis. For interview-based research and textual studies, Silverman (2001, 231) suggests that the reliability might be increased in case if the same data would be analysed by several researchers. The possibility to let someone else to analyse or even read through the data obtained from interviews was not considered, as the Master's Thesis writing is mainly an independently carried-out project. No other researcher was involved in processing and analysing data, no external help or advice was used apart from the one got during consultancies with the thesis supervisors. Data collection and analysis were made according to the literature and recommendations of thesis supervisors and guidelines imposed by the Turku School of Economics. Therefore, the care and attention to every detail was of a prime importance during interviewing and data analysing stages, as the outcome of the research should not have been compromised. Reliability is mirrored by **dependability** in qualitative research. Lincoln and Guba (1985, 298) see dependability as a qualitative substitute for reliability. In fact, Shank (2006,114) argues that dependability can be increased by constant verifications whether the data collected was used in a way it was supposed to be used, and by attracting fellow researchers to monitor the notes and data researchers handle to make sure the two match each other. Shank (2006, 114) defines dependability as "ability to know where the data in a given study comes from, how it was collected, and how it was used. Data and information used for this study is authentic, it was recorded, transcribed and used to answer the sub-questions of this study. The data's original source can be traced back – trainers who participated in interviews are still working in the same place, the interview audio tracks were copied several times by the researcher and now are stored on researcher's PC and external hard drive. The methods of information handling are covered in methodology section of this work. Therefore, the same research can be carried out again if needed, and they will bring the same outcomes and conclusions. The main idea behind this work, and prior to starting to work on the research was that the research has to be transparent and easily re-makeable again, if needed. For example, if the researcher would have failed to make copies of the research or had other force majeure circumstances, the researcher should have been able to re-write the work again without difficulty. This can be only achieved when the data covered in the study is authentic and was not modified in any way.

According to Kirk and Miller (1986, 20) validity is a degree to which a finding is interpreted in a correct way. Lincoln and Guba (1985) in turn, divide validity into two separate entities: **external validity** and **internal validity**. Lincoln and Guba (1985, 290) identify internal validity as the extent to which variations in an outcome (dependent) variable can be attributed to controlled variation in an independent variable. The external validity, in turn can be defined as the extent to which the same results and

outcomes can be obtained using different persons, settings and times. (C.f. Guba and Lincoln 1985, 291). Denscombe (2005, 274) offers to check validity by posing questions about the research to the researcher of the work himself. For instance, to investigate how far the findings of one's research go in line with the existing knowledge in the field. Alternative explanations to the phenomena are encouraged to be found in order to prove that the researcher did not take the first simplistic explanation and draw a theory of it. The extent to which the researcher had influenced the research should be determined, and the overwhelming influence should be avoided. The excessive influence of the researcher would bias the research findings and render them unreliable.

Silverman (2001, 233) argues that the two methods to assess validity, namely comparing different kinds of data and different methods and observe whether they would produce the same results (also called as the triangulation of data). The second method is the respondent validation – the verification of the researcher's finding by the participants of the research is not suitable criteria to assess validity.

However, the respondent validation might not be a suitable tool for assessing the validity of the research because sometimes the respondents might not be able to follow and thus to understand the findings of the research due to the lack of professional knowledge, age, and other factors. Similarly, it might not be possible to test the findings of the research via triangulation because the triangulation offers different settings, including different respondents, which means that not necessarily the outcomes of the research questions would be similar if they would be posed to different group of respondents in a different setting. (C.f. Silverman 2001, 233-237).

For this research the respondent validation was possible, although the respondents did not show any enthusiasm in following-up of the research and the actual thesis writing. Therefore, even though the thesis could have been sent to the interviewees it would have probably been left unattended.

Internal validity is **credibility** in qualitative research. Credibility, according to Lincoln and Guba (1985, 296) is how much believable the research findings and conclusions are. According to Shank (2006, 114) "...in credible research the data is consistent and cohesive, rather than scattered and contradictory." The research was made in accordance to Turku School of Economics requirements, theoretical part written using the most prominent works in the knowledge management field. Furthermore, the actual employees of Training Centre of the multinational corporation were interviewed, and conclusions were drawn objectively without overstating any information that was obtained from the raw data.

External validity, in turn is reflected by **transferability**, that is defined by Lincoln and Guba (1985, 297) as a degree of accuracy to which the results of one qualitative study can be transferred or applied to a different setting and population. Shank (2006, 115) states that the detailed information on the research process is a prerequisite to

successful transferability. If the detailed information on each step of the research is given, it is possible to easily identify whether or not the research results can be applied to different population or setting. The transferability of this research was improved by explaining the reasons behind choosing the Training Centre of a particular company as a case study. Given the specificity of the company that was used as case study, it may be that in different setting of a different multinational the outcomes of this research would be slightly different. Therefore, transferability should be tested only when the research was conducted in other more generic and easily replicable setting. For instance, if a research is conducted in a university, the transferability can be challenged by simply conducting similar research in another university in the same city or country. In the particular case of this thesis setting, it is problematic to find another similar company, given that the company that actually served as a case study is a global leader with very few rivals, and none absolute duplicate companies in the same field

According to Kirk and Miller (1986, 20) **objectivity** is an essential basis of all good research. Without the objectivity there is no reason to believe the researcher or rely upon the conclusions drawn in the research. Lincoln and Guba (1985, 292) explain objectivity by giving a simple example: if multiple observers can agree on a phenomenon, their collective judgment can be said to be objective. According to Lincoln and Guba (1985, 293) the objectivity might be threatened by relying exclusively on the data provided by a single observer. Therefore, the researcher was inert when conducting the research and analysing data. Data was not altered or changed in any way and conclusions were drawn based on the research data. The data was embellished or overstated by any means. **Confirmability** deals with methodology of the research. Basically, it tests whether the researcher was consistent and gave enough data for analysing whether the data collection was properly conducted. Shank (2006, 115) states that conformability has to do with everything starting from the raw data, data collection methods and the analysis of data. Extensive amount of information about the data, data collection process, data collection technique and data presentation was given to increase the confirmability of the work.

## 5 THE SUCCESSFUL KNOWLEDGE TRANSFER IN THE TRAINING CENTRE

In this chapter the findings of the research are discussed. With the purpose of reminding about the main problem of this work, there is a main question of the work and the four sub-questions listed below.

Hence, the research question for this study is: *How to ensure successful knowledge transfer process during cross-cultural communication in a multinational training centre?*

The four sub-questions to the study are:

- *What difficulties occur in training centre when global customer training activity is performed by trainer(s)?*
- *How cultural differences influence a cross-cultural communication?*
- *How to ensure transfer of tacit knowledge cross-culturally?*
- *How the assessment of the knowledge transfer is done to ensure that the knowledge transfer was successful?*

After having reminded the main problem of this research, it is logical to remind the distinction between the respondents, since their identity was not revealed. The names of participants were concealed under a symbolic “Trainer A”, “Trainer B”, “Trainer C” and “Trainer D” naming. The name “Trainer A” was given to the first respondent; respectively name “Trainer D” was given to the last, fourth respondent. The answers were summarised and put under four sub-chapters that actually correspond the four sub-questions of this work.

### 5.1 The knowledge transfer model in Company X

The courses are conducted to two types of clients, or participants: internal and external course participants. There are about 50 % external and 50 % internal customers who attend courses arranged by Training Centres. The internal participant group is the one that is formed by the colleagues of trainers. In other words, when the company in question decided that a specific person or whole department needs knowledge about a specific product – this person or a whole department will be asked to take part in a course that is most appropriate. Basically, the trainers are teaching their colleagues. Often these people have never met before even though they are employed by the same company. Internal courses are more opened in information sharing, as all the participants belong to the same company.

*“Internals – with them we are more open, we can discuss everything, and it helps a lot.” (Trainer C)*

The second group, external – are all the other clients. The external customers, in turn, are divided into two groups: network and customer groups. The network customers are as usual those who have acquired the company's products and need specific training in order to know how to operate and maintain the product. The customer group is the one that has the most limited access to information. Only the basic information about the product is given. This information should suffice to the client. This is a group represented by future customers. Later on the client asks for maintenance or technical assistance from the company, as the company is taking charge of all technical sides that come along with the product purchase.

The knowledge transfer model used in the Training Centre is introduced below. The factors that influence the knowledge transfer are presented in the section 5.3 of this work. The following model is created according to the words of the trainers of the Training Centre. All four trainers were asked to imagine the process of knowledge sharing they follow during the course they conduct. In the beginning all trainers took their time to think and simply replied that they never thought that they were using some kind of a model at all when sharing knowledge. However, as the time of the interview passed, they admitted that their course agenda and the way they behave and what they say during the course almost always goes according to their own plan. In addition, they stated that they had never thought about the process of knowledge sharing during the course as about an actual process. They would do what they felt like was the best way to do things, without applying techniques or categorizing their steps.

The trainers specified that the stages of the knowledge transfer are the same for both internal and external customers. The only thing that varies is the contents and the extent to which the discussion can be open or discrete.

The researcher found it to be beneficial for the respondents to show them several existing models of knowledge transfer. The reasons behind this step were not to make the work for the researcher easier, rather to make it easier for the respondent to answer questions about knowledge transfer model. At first, the researcher drew a symbolic line that stood for the beginning of the course and ending of the course, and encouraged the trainers to imagine possible stages in between the two ends of the line. However, this did not facilitate the task for the respondents, thus it was decided to show some actual knowledge transfer models with all their stages and steps. It seemed to help rather little; the respondents started commenting on the models, pointing out what was good and bad in them. It was discovered that the trainers do not see their knowledge transfer process as a model, be it linear or more complex. Rather, they see the starting point, the Day 1, and the ending point, Day 5. Everything, starting from preparation level of the

participants to their motivation is assessed by the trainer. Therefore, the trainer is conducting a standard course that is almost always tailored according to the specific group. The tailor-made courses – the term proposed by the researcher to the Trainer A and later on adopted by all trainers – are discussed more thoroughly in the chapter 5.3 of this work.

Trainers found the model by Chini (2004, 15) to be the most similar to the one they use while transferring knowledge. The trainers had seen some components that would be suitable for their model in other models as well: for instance in Mead's model (2005, 105). According to them, the information exchange goes one and two sided during the course. The trainer is a primary sender of information, although the trainer can easily become the information receiver at times. They specified that the Mead's model looks like it is just a monologue or dialogue scheme, which happens a lot during the course. Trainers talk all the time, they exchange information and knowledge. Mead's model, according to them, reflects perfectly the information sharing, but rather poorly the knowledge sharing.

Trainers also claimed that the model by Buckley and Carter (1999, 90) that investigates the knowledge transfer mechanisms, dividing them into personal communication, codified communication and embodied knowledge transfer was also suitable. In this occasion as well as in the occasion with Mead's model, the mechanisms alone seemed to be insufficient to the trainers to cover all complex knowledge transfer process.

Before the model will be introduced, it is important to mention that trainers insisted that any, even the most successful and efficient model will fail if it does not have a support of the motivated trainer and eager to learn trainee. Here below is the collective model that was composed from the ideas of the four interviewees.

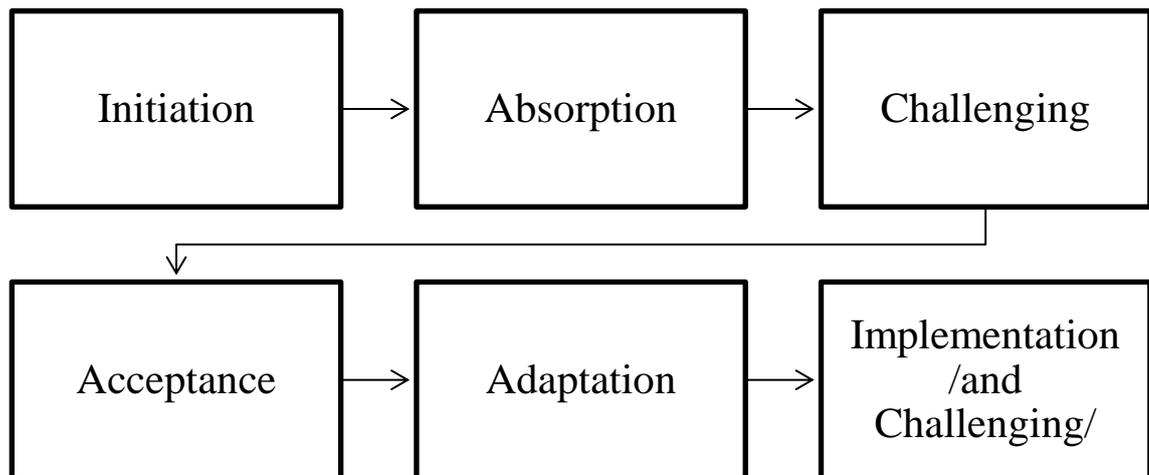


Figure 10 Knowledge transfer model according to trainers of the Trainer Centre

The knowledge transfer model was created using the ideas and answers of the trainers. It is simple, yet precisely describes the stages of the knowledge transfer that the trainers follow. Trainers affirmed that the knowledge transfer during their course is something more than just the exchange of phrases between the trainer and a trainee.

Therefore, the process starts from the Initiation phase, or stage. Initiation stage starts long before the actual coming to the auditorium where the knowledge transfer will be done. One of the respondents specifies that the Initiation phase starts from the meeting of the trainees in the company premises. The informal briefing follows, where the participants tell something about themselves, and learn basic information about their trainer. The introduction of the agenda concludes the first stage.

The second stage, the Absorption deals with the actual learning process. The course starts with the brief history of the company and the product in question and leads to the technical details and the actual course content. It is also common to introduce the course participants to the in-field, or hands-on activity that is due the following days. The in-field activity takes place during Implementation stage, when course participants apply their theoretical knowledge to practice.

Challenging stage is when the trainees start to ask questions, share their own knowledge they might have about the problem. Often, the knowledge they possess is faulty. It is difficult to delete the information that was reordered and stored and believed to be true. During this stage trainees might challenge and try to prove their trainer wrong. Trainer C believes that the experience together with knowledge is the key to a successful overcoming of this stage:

*“I have to know ten times more than I have to give”.* (Trainer C)

He meant that a trainer has to be ready to answer all kinds of questions, even the most twisted ones. However, very often the challenge stage is omitted by the trainees. It depends on the level of their knowledge and previously acquired skills.

Acceptance stage goes smoothly as soon as the Challenging stage is cleared up. This is the stage when the knowledge is recorded and remembered. Adaptation stage depends on how well the Challenge stage was overcome, and how well the Acceptance of new knowledge went.

Implementation stage is the stage when the newly acquired knowledge is tested by putting it into practice. This stage might be accompanied by challenge. That is so if the previous knowledge was erased and replaced with new one during the Acceptance and Adaptation phases. If there was no conflict between the new and old knowledge – the Challenge issue does not appear at this stage.

The trainers also named the Assessment of knowledge as a possible stage of the knowledge transfer. This stage would have been the last one, after the Implementation. However the assessment of the knowledge is not always done. As stated further in section 5.4. The assessment is done only when the client requires doing so.

The researcher finds it crucial to point out one significant detail in the knowledge transfer model presented in Figure 10, and comment on resemblance the proposed model bears with other model by Chini (2004) and Szulanski (1996) presented in the knowledge transfer section. First and foremost, these three models are rather linear, with the smooth transition of the first stage into second into third, etc. The processes go rather simply and straightforwardly, bringing the knowledge transfer process to the end result, when the knowledge transfer evolves into integration stage, like in Figure 5 proposed by Szulanski (1996), or implementation stage, as seen in Figure 9 proposed by Chini (2004). The models by Chini (2004), Govindarjan and Gupta (2000), and Szulanski (1996) have small amount of steps or stages, just four. In contrast, the model created by the researcher has more stages, namely six. The additional stages do not make the model more complicated or sophisticated. Rather, the two stages that stand out, the Acceptance and the Challenging stages show the presence of a “human factor” in the whole knowledge transfer process. The course participants have to pass through the Acceptance and Challenging stages. This is a normal practice in the Training Centre, when the course participants question the expertise of the trainer, challenge him, and ask for additional explanations and further specifications if the topic is not clear. Trainers themselves consider this step to be important: when the course participants ask, argue and dispute during the course, they will inevitably learn better and faster than if they would absorb the information passively and without questioning and doubting in it. That is why trainers encourage questions during the course. Moreover, trainers tend to

be well-prepared and to know much more than the course requires them to know – to ensure that they can conduct a course regardless the level of preparation of course participant. The researcher finds it significant that the trainers acknowledge the importance of the Challenging stage, which can sometimes be uneasy to manage. According to trainers, certain cultures are more prone to challenge the information that is being transferred, as well as the expertise of the person that transfers it. For certain cultures, the authority of the trainer is unquestionable, and they would even leave out the Challenging stage and accept bona fide everything that was transferred to them by the trainer. Acceptance stage follows the Challenging stage when the course participants actually tend to accept the information that has been transferred to them. For some course participants, the Challenging stage might come out once again, at the very end of the knowledge transfer process, at the Implementation stage. While the course participant is trying to implement the receiver information and start to apply it to practice, he might sometimes have doubts of the accuracy of the information transferred. This might be due to the fact that it is not always easy to implement the received knowledge or expertise to life. Failing to implement it even once might raise the Challenging stage, where the participant would questions again the accuracy of the transmitted information and challenge the expertise of the trainer. Not all participants pass the First Challenging stage, and even less pass the Second Challenging stage. Some of participants do not pass them due to the fact that they understand and perceive all the information transmitted, some just do not want to question the expertise and authority of the trainer, and some do not want to compromise themselves in the eyes of other course participants. For representatives of some cultures it is hard to admit that some piece of information was unclear to them. Challenging stages are good turn-around points, when the trainer has a possibility to get back to the course participants and clarify the blind spots they have. The researcher considers the Challenging stage important in the knowledge transfer process. This stage points out that the knowledge transfer is actually occurring between people, and not machines that understand everything to perfection.

It is important to point out the other resemblance, although not evident, the model carries with Mead's (2005) one-way and two-ways communication models. The model actively uses both of them. Challenging stages have two-way communication style predominantly, when the active exchange of information both ways (the trainer to participants and participants to the trainer) is implemented. Other stages are characterized mainly by one-way communication, although trainers are open to answer questions at any stage of the course.

The tacit knowledge transfer is very important during the course. As it was already stated earlier in this thesis, the practical work during the course occupies about two days out of the five day course. The first three days of the course deal with the theoretical issues of the course. This is when the trainers involve Power Point presentations,

manuals, videos to teach the trainees. The last two days are dedicated to the tacit knowledge transfer. It is namely the know-how and skills.

The major problems in tacit knowledge transfer that were named by the trainers are: communication, language difference, perception difference across cultures. Very often the trainer shows how to perform a particular operation, but it is not enough. Some tacit knowledge he possesses is not necessarily easy to explain to others. In fact, Von Krogh et al. (2000, 6) state that tacit knowledge is often very difficult to describe to others. It is not because he would be unwilling to do so; it is because sometimes it is hard to explain something that comes naturally and without effort. In other words, sometimes even years of expertise do not help to turn tacit knowledge into explicit. Von Krogh et al. (2000, 83) assume it is difficult to pass tacit knowledge because it is bound to senses, personal experience and bodily movement; and require the close physical proximity. Even though all trainers are qualified personnel that have experience and competences, they need to combine tacit knowledge transfer with “show-how”. When it comes to tacit knowledge transfer, trainers stated that the best way to transmit the tacit knowledge is to show the example and propose the trainees to try and replicate what was shown. Every course has compulsory “on-field” training, where the tacit knowledge can be shared. Trainers find it difficult to share tacit knowledge without having an actual sample of the product that can be assembled, touched and tried out by the course participant. Von Krogh et al. (2000, 6) affirm that “the creation of knowledge is not simply a compilation of facts but a uniquely human process that cannot be reduced or easily replicated”. Therefore, it is an important prerequisite that every participant takes part in in-field training. According to trainers, these trainings are more beneficent than the three first days of the course. It is mostly so because there is no guarantee that the trainee was paying attention to every aspect covered in the course. Due to the extensive material, it is virtually impossible that a trainee absorbs all knowledge that was given during the course. The language differences come into picture, and might result that the trainee did not understand or misunderstood something that was said in the course.

When trainers had described the way they transfer knowledge, and turned out to be roughly similar to the model proposed by Von Krogh et al. (2000, 83): direct observation, narration, imitation, experimentation, comparison and finally joint execution. In the beginning, the course participants observe the trainer doing a particular operation. Next, they get comments and suggestions from trainer on how to perform a particular operation. Later on members attempt to imitate manipulations of a trainer. Next they experiment on the project, still observing the trainer, and lastly, they get the comments and hints from the experienced trainer and try to solve the task jointly. Trainers strongly believe that when the same aspects of the course that were explained to the trainees will be repeated in field, the trainees would benefit from such repetition. Trainers believe that in field training can overcome language differences and

erase misunderstandings because trainees have to “watch and learn” instead of “listen and remember”. According to trainers it is much more effective to show how the thing is done than to pull out numerous graphs, tables, manuals and try to describe it without physically showing it.

Trainers always advocate for practical training. They believe that misunderstandings and incorrectly perceived information can be wiped out when the trainee tries to apply his freshly acquired knowledge to practice. They are also certain that during “in the field” trials the cultural differenced fade, multicultural environment become divided into two groups – those who are willing to learn and those who are not. Sometimes the course participants have scarce understanding of English language, and this does not prevent them from performing brilliantly during practical trainings. Trainers consider that in their particular case with their products it is easy to understand the know-how even with rather lesser understanding of English language. It is enough to observe the trainer and repeat what he is doing.

Indeed, the tacit knowledge is very often not something that can be explained or put in writing but something that can be rather shown in practice.

## **5.2 Influence of cultural differences upon knowledge transfer**

Hambrick et al. (1998, 182) argue that the nationality affects a person both in visible and in invisible to others ways. The language and what is valuable to this person are things dictated by nationality. These determinants affect how the person behaves. And finally, the behaviour of a person determines how the person is perceived in a multinational group. Again, in line with literature all trainers admitted that the course direction is shaped by cultural backgrounds of people that take part in the course. Furthermore, the cultural background and nationality of both trainer(s) and participants affect the course, too.

Trainer A presumed that the cultural differences have their impact on the course.

*“Some people sitting shy and saying nothing and some people are actively asking questions, they show us what they know, what they want and what the course would be like”. (Trainer A)*

Chevrier (2003, 146) suggests that the cultural differences can be settled down if the participants get to know each other better. All four trainers did agree with that statement, specifying that with the time all course participants spend in the auditorium, participants and trainer get acquainted, people get familiar with each other and as a consequence, even if the cultural differences occur, they are managed more efficiently

and effectively. Slightly different picture occurs when trainees all come from the same cultural background, and the background is other than the one of trainer's. In such case the trainer has to be flexible enough to be in synergy with the course participants.

Trainer C, however, states that he always acts "*neutral*", so he never has a need to change his behaviour or shape it according to the audience he is talking to. In contrast, Trainer B "*based on the cultural differences, I little bit choose what I am saying in certain cultures and religions, for example*". He pointed out, though that it is even possible to joke with all participants from all cultures and a religion, just one has to be careful on what jokes and what topics to discuss. Trainer D affirms that drastic differences in culture might result in complications during the knowledge transfer. Although he also thinks that even if the culture of the trainer and the course participant is different, they have to realize that their main goal is to transfer knowledge and absorb it, respectively. Therefore, with this objective clearly set, the cultural differences that make the knowledge transfer difficult will inevitably fade. Trainer C stated that the "*cultural differences go down if the interest in a course goes up*". Therefore, it is evident that trainers acknowledge the cultural differences and their impact on the course. However, they do not emphasise the cultural differences. Rather, they tend to see the participants as a group, and not an individual.

"... When managers face the cross-cultural issues they tend not to discuss them at all" (Chevrier 2003, 145). This was probably the hardest to ask question. Indeed the trainers preferred not to be open about cultural issues and cultural differences. Partly because the majority of trainers had participated in special courses that would teach them how to deal with cultural differences or conflict situations that might potentially occur during the course. Making specific examples or naming cultures would make the quality of these courses questionable, and probably that it why only few concrete examples were given during interview.

Trainer A stated that there is no "good" and "bad" to train nationalities, they are just different and require different approach. Different approach may sometimes mean more workload for a trainer, though. Trainer A argues that the cultural differences can be managed without special trainings or courses on how to manage cultural issues. He fully relies on his experience. He stated that having conducted as many courses as he did, and having travelled abroad for work as much as he did it became easy for his to settle down virtually any problem or argument during the course.

Trainer D guesses that the personal characteristics of the people who are involved in the course are "*fundamental*". As an example he assumes that the course participants from "*cold*" cultures and closed characters make the course very neat and easy, although this might result negatively as well. Sometimes the "*cold*" cultures (as identified by the Trainer D) may be very quiet and irresponsive to the trainer, therefore the trainer might not fully understand whether the course participant understands the

course content or whether needs additional explanations as the course evolves. According to Trainer “D”, Nordic countries’ nationals could be defined as “cold” nationalities.

The “warm” cultures may turn the course process into confusion by posing too many questions, sometimes irrelevant. Trainers claimed that at times the people who take part in the course may ask very irrelevant questions, taking time and distracting other participants. For instance, they might ask assistance to recover their lost luggage, make enquiries about transportation, shopping or other recreation activities. These are the examples of demands that are out of scope of a trainer. Another point that can be compromised during the course by the representatives of “warm” culture is time management. It is difficult to maintain the perfect timing foreseen by the agenda; therefore some part of the course may be left out. Middle East participants, trainees from South of Europe, Latin America and partly Africa would be defined as “warm” cultures by the Trainer D.

Instead, the perfect representative of a course participant is a person of a “neutral” culture- the one who would ask relevant questions according to his need and would not interrupt or prevent the trainer from doing his job. German, Chinese, and some other cultures would be defined as “neutral” by the Trainer D.

In contrast, for Trainer C the ideal customer is the one from Nordic countries. The trainer is a Finn himself, therefore in his opinion “*it is easier because it is so close*”.

Trainer D was brave to specify that the course participants that originate from England are the hardest to deal with. He says that most of times they are presumptuous, and this prevents him from successfully transfer knowledge to them. The most easy to deal with are Asians, because they are “respectful, attentive even when it comes to the most little and insignificant issues”. Therefore, the knowledge transfer process can be made in its fullest in such ambient. Trainer C pointed out that the Middle East customers tend not to admit if they would not understand a specific point during the class.

*“I ask them “Do you understand?” the only answer I can hear is “Yes””.*  
(Trainer C)

He assumes that this behaviour derives from their culture- for them it is difficult to say that they did not grasp something during the class or have difficulty processing certain issue. Especially, as Trainer C believes, when there is a supervisor or boss taking part in the same course.

From the direct quotes taken from interviews, one can understand that the cultural differences exist and it they should be taken into account when dealing with group that consists of multiple nationalities. Trainers admitted, however, that they never see

cultures through a prism of models or schemes. They do not like to stereotype or assume beforehand something outstanding happened, although they sometimes have a pre-made opinion on a certain culture or nationality. They do believe, however that the majority of assumptions and generalizations were made by them according to their own observations and experiences. Trainers like to ruin the most common stereotypes that exist in the Training Centre. For example, when a group of people from certain country arrives and they behave in a different way than several groups from the same country that was participating in training before them. The assumption on this particular nationals' behavior is ruined, and stereotype is not created.

Trainers guess that it is not always negative to have an assumption about a particular culture or nationality. It sometimes helps the trainees to organize themselves and prepare for trainees from this particular culture. In a way, they want to be prepared to what they would have typically encountered, so no unexpected matters would come up. Trainers tend to study cultural characteristics, group certain cultures and act accordingly upon meeting them. They believe that it is a part of their job to be flexible and be able to adapt to the cultural environment around them. That does not necessarily mean that the trainer would have to change his behavior drastically. This means that he will be ready to encounter and embrace the features of the culture that are different from his own.

Trainers assumed that some cultures are more open, ready and eager to learn than others. This might be because of the attitude the representatives of different cultures come to the course. Some cultures see the course as "*vacation*"- that is how Trainer B described a group of trainees that come to the Training Centre to change the environment rather than to learn. Thus, the suspicious perception of the course, the ideas whether this course is needed or not at all, negative or neutral the perception of the trainer- this all result in a negative attitude. Some cultures, say trainers, are more prone to be suspicious and unwilling to take part in the course than others. Having said this, they assert that this statement is true only to some extent, because in every culture there might be people who see the course as an opportunity rather than the unpleasant necessity.

In addition, the trainers were familiar with cultural dimensions or intercultural sensitivity because of their participation in courses on how to manage people of different nationalities. These kinds of courses are usually conducted to trainers to make them aware of cultural differences, downsides of many people of different cultural and religious background in the same classroom and how to cope with stressful culture-related situations. Special training, expertise in their own field and teaching experience equally help trainers to see their trainees one by one, on a basis of what trainee he or she is, rather than see a trainee on a basis of a nationality.

The respondents assured that that they ask the background information about people to come to participate in their course. This information is given whenever possible. The typical information includes the current position, the general technical experience, and the general experience of a given person in a product that would feature during the course. If some particular person had already participated in the course arranged by the training centre- this is a definite plus, as he or she would be familiar with company's premises and general course timetables. The background information helps trainer to get acquainted with course participants beforehand, understand the level of awareness about the product the participant have.

The beforehand information helps the trainer to identify the extent to which the participants are "prepared", what is the level of their knowledge and their skills. All this information would help the trainer to identify their needs and necessary information that has to be transferred to course participants. In case if there was no background information available beforehand, Trainer A states that "*it will be a good discussion on Monday morning*".

Trainer B stated that "*it is a biggest challenge in training when you have an uneven group*". Under the "unevenness of a group" the Trainer B intended the difference in knowledge and skill levels. According to him, in such case the balance of levels is needed. It is usually achieved by giving hands-on exercises to the group of a different level. The trainer assist the lower limit of knowledge that the course participants possess and the higher limit and conduct the course somewhere in between the two levels.

## **5.3 Determinants for successful cross-cultural knowledge transfer**

### **5.3.1 Workload**

First and foremost, decent working hours, as stated by Trainer C are very important. Indeed, the trainer does an 8-hour working day during which he has to speak almost all the time. As Trainer D affirmed, his work does not stop even during coffee breaks or lunch, as this is a perfect time for the trainees to socialize with their trainer, ask additional questions about the course or just random questions that have nothing to do with the course.

The typical course that takes place in training centre is 5 days long. Sometimes, the special requests can come when the trainer is asked to conduct a course for 6 or 7 consecutive days. The courses conducted by electrical trainers tend to be shorter in time, just 2-3 days. Typically, any course is constructed with three blocks – the introductory

block, where the factory visit takes place along with the general introduction to the product in question. The second block is a technical analysis and the theoretical approach towards the technical aspects of the product. The last block consists of the practical activity. Finally, the conclusions to the course, recapping and evaluation of the conducted course takes place. Trainer A states that besides the actual course the trainer needs time for preparation and after course the time to “*clean up the table*”. Basically, five-day training would require a five day to a week of preparation. Trainer A specifies that in case when the course had been conducted by the same trainer multiple times, the trainer might require much less time for preparation or none at all. In contrast, when the course is new to the trainer, he has to first learn himself the material, try to find the essential things in the course, understand them, and understand how to transfer them to the course participants. Trainer C had brought up an example, saying that the Training Centre was supposed to introduce a new course on a new product. The course was due mid-March 2011, but the trainers began their preparations for the course, material making and learning already in the beginning of January 2011.

All trainers had said that the workload is unfortunately not even by any means.

*“Workload is one of the biggest issues here around, and it seems that it would never change”.* (Trainer C)

In practice it means that sometimes the same trainer might have a course 3-4 weeks in a row, and other trainer might not be conducting any course in months. Because of the fact that all trainers are in charge of their own type of product they conduct courses on, it all depends on the requirements of the clients. For instance, if more items of the particular product were sold in one particular year, it is probable that the demand for courses would increase. Therefore, the trainers who can conduct courses on this particular item would be most likely overloaded with courses. The Training Centre tries to balance the workload between its employees, by distributing the course workload as evenly as it is possible. The workload also depends on seasons. For instance, in some periods European customers have vacations, thus courses will not be required, and in some seasons the demand for courses will be high.

### **5.3.2 Infrastructure**

Trainer A stated that Power Point, animations and short films are very helpful in carrying out the course. However, he believes that the best thing he can personally use during his course is a blackboard. When it was asked why the preference was given to the blackboard, his answer as “*at least it makes them to follow you*”. Trainer A

explained that when he would draw something on the blackboard he would simultaneously ask questions and engage participants into discussion. He supposed that his loyalty to the blackboard might come from his primary profession – he is an educated technical institute teacher. Trainer B, Trainer C and Trainer D also pointed out the common usage of Internet and Intranet during the course. They are used to retrieve the technical documents that are essential during the learning process.

Another point is whether the course is conducted in the Training Centre or the trainer has to travel abroad to conduct a course in the premises of the client. Trainers believe that they are most comfortable conducting courses in their own Training Centre because they have everything they need there, their commodities and tools they are used to. Trainers do have to face the necessity to travel abroad, arrange visas and cope with the additional stress caused by the travel. Although, travelling abroad has its positive sides, such as meeting people of different cultures and changing a working environment.

### 5.3.3 *Tailor-made courses*

According to all trainers the course contents are revised and updated continuously. However, sometimes the course material is created by Content Developers of the Training Centre. This is a purely personal preference. For instance, Trainer D believed that he would be “*highly incapable*” to conduct a course using the material that was developed by some other person. Trainer A, Trainer B and Trainer C rely on Content Developers of the company. However, all course contents, Power Point slides and other hand-out material is standard. Even the Trainer D that prefers his own material uses the templates of the Training Centre or modifies the material from the one made by Content Developer according to his own needs and preferences.

Regardless of the standardized course contents, all trainers affirmed that courses are nothing alike. Based on the previously available information the trainer decides to which direction he would go, what to emphasize and what to drop out during the class.

*“You can say that every course is tailor-made”.* (Trainer A)

*“The programme might be same, but the points I am paying attention to will vary”.* (Trainer B)

Furthermore, trainers state that the main pillars of the course are very well defined, although the activity that takes place during the course varies from one course to another. The needs of participants of the course and their general knowledge shape the contents and main direction of the course. Nevertheless, when an external client requires

a course, the client sets the goals of the course beforehand, so that the trainers can prepare themselves and customize the course according to the requirement that have been set before them.

Trainer B states that “*the group affects the way of my teaching*”. He elaborated his statement by giving an example that if the audience is interested, if it challenges him and if it is willing to learn and listen – the course would typically go in another way than the course with passive audience.

Trainer C said that sometimes the participant might ask a question that is on the agenda, but due the next day to be covered. Nevertheless, it is a normal practice to change the agenda of the course and cover up certain when the participants wish so. At times trainers might tell additional information that was not supposed to be covered during the course, but according to the trainer have been suitable to be covered.

#### **5.3.4 *Communication and language skills***

Trainer D had pointed out the main difficulty is the language problem. Even though all trainers have a good English command, sometimes it is difficult to get used to accents and pronunciations. Some people, whose native language is other than English, may not always be able to express themselves in a way they desire. Inability to find the correct wording or difficult to understand accents have an impact on participants and trainer in the beginning of the course. However, the more time trainer and participants spend together the better the understanding becomes.

Trainer C, in turn, pointed out that the external customers tend to have more problems with their English language skills than the internal ones. He also encourages the participants to help each other with translations and explanations whenever they speak the same language.

Trainer A states that in general the use of professional translators is not needed. All trainers possess necessary amount of English language skill to successfully conduct courses of any difficulty to the clients. Nevertheless, there are a rare 1-2 % of clients who would require a course in their native language, according to the Trainer D. In this case the translator is invited; the preference is given to the native speaker to avoid any possible misunderstandings during the five-day course. There is a downside to the invitation of such a person to a course. The native speaker is not a professional; he or she does not necessarily possess the qualities of a trained translator. Thus, the concentration and professionalism of the translator is not high as it should be during the translation session otherwise. Apart from that when the translator is asked to a course (be it a professional or just a native speaker), the time that the trainer has to conduct the course is always the same, even though the double work should be done. The trainer

explains to the translator and the translator explains to the audience. This leads to the fact that the course agenda has to be drastically diminished and the preference should be given to the most important and central issues. The positive side of a translator presence during the course is that the native speaker knows all specific terms and names, and thus the quality of knowledge shared increases significantly. Trainer C believes that mostly the French and the Russian customers require translation services. He also pointed out that Russian customers prefer to have their own translator with them, which appears to be a downside. The translator has to first be instructed about the topic of the course, learn the terminology and only then transfer the newly acquired knowledge to the clients.

The French language translator, in contrast, was working quite often with the Training Centre, she has extensive knowledge of how the course is going on, the grasp on specific technical terminology and thus it is much easier for her to work during the course. Italian speaking trainees have sometimes language difficulties, although as usual they would cope without a translator.

### 5.3.5 *Motivation*

Trainer D had found it difficult to rank the most important determinants for a successful knowledge transfer during the course. Although he had admitted that the motivation plays important part when one wants to become a good trainer. Motivation depends on the trainer himself for the most part. Nevertheless, course participants also add to the motivation total of a trainer. Equally, depending on participants, motivation can diminish if the teaching environment is tense or the participants are not fully motivated themselves to participate in the course.

Trainers specified, however, that the motivation ought to be two-sided. In a way, if a trainer is motivated but his audience is not- the course will not go well. Trainer A stated that all course participants are grown-up people, and it is fully up to them whether they want to learn something or not.

*“If they are not interested, if they are here just because their boss is telling them to attend the course- ok. If I see the person who is reading newspaper on his laptop instead of listening to me- he is the one who is the loser. He loses the information I am sharing”. (Trainer A.)*

*“You cannot push the information. Or you can, but the receiver should want to accept it”. (Trainer C)*

Trainers pointed out that representatives of some cultures are more interested in a course itself, while others seem to be keener on visiting the foreign country the Trainer Centre is situated. Trainer B pointed out that sometimes it is beneficial to have a group of people that like to compete. This keeps the course very intensive. People listen and learn faster sometimes because they do not want to seem less competent than other participants.

### **5.3.6 *Trust and positive attitude***

Trainers supposed that it is important to have a trust in the trainer in the first place to benefit from the course. The positive approach to the course and towards the trainer is also vital. Some trainees tend to arrive to the course already sure they would not benefit from the course in any way. According to trainers, this is not always a lack of motivation, but the inner sensation of a one particular person. According to Trainer C, *“the attitude is very important”*. He also made an example that during one of his courses the conflict situation arose when the trainees were not particularly friendly to each other. Trainer C tried his best to create a positive attitude in the auditorium and settle down the disputes by giving independent works to the trainees.

*“If a person has an attitude problem – I am not able to fix it”.*  
(Trainer C)

Typically all trainers would carry on with the course regardless one outstanding personality that lacks trust in the professionalism of a trainer or is negative towards the course in general.

### **5.3.7 *Mentoring***

Trainer A said that his role in a classroom is not only forcing the information into course participants, but also giving the information in a way that the course participants should be able to put all bits and pieces together themselves.

That is because when it comes to the practical exercises (trainers call it “on the field”) or real working life, there would be no one who would tell them what to do. Trainer B added that he also encourages the independent work of the course participants as it is very important to be able to apply the knowledge they received into a real-life situation. By giving the job autonomy and responsibility trainers encourage their

trainees to act upon their own understanding and newly acquired knowledge, to trust their own judgements and defend their own choices.

Trainers believe that giving their trainees a freedom to act as they consider being right in a particular situation would teach them to be responsible. They would learn how to make prompt decisions in a particular situation. Yet the fact that the mentor/ trainer is always ready to help makes this “real-life” situation less stressful. Therefore when the trainee will have to perform similar operations on the actual product, the risk of mistake will be significantly lower.

### **5.3.8 Experience**

Trainer D believes that the experience of the trainer alone is enough to overcome possible complications or stressful situations that might occur during the course. All trainers fully rely on their experience during the course. They can manage all kinds of unpleasant situations that might come up during the course. Their experiences allow them to ask all kinds of questions that might occur during the class, and it also helped them to tell a bit more during the course that is set by the course standards.

Trainer A stated that his working experience, both as a teacher and technical director in one of the shipping companies had contributed a lot to his communication skills. He stated that having worked in these fields helped him to increase his communicative abilities and self-confidence as a speaker. Trainer A claimed

*“I’m not afraid of people, I’m not afraid of my audience”.* (Trainer A)

To conclude, Trainer C believes that the experience together with knowledge is the key to a successful knowledge transfer.

*“I have to know ten times more than I have to give”.* (Trainer C)

### **5.3.9 Psychophysical determinants**

Trainer D pointed out that it is very important that the trainer is in a good health and clear mind during the course. Any disturbance, be it a physical pain experienced by the trainer, or his personal problems and difficulties, might and most probably would reflect negatively on a quality of the knowledge transfer. Even though all trainers are professionals, it seems challenging to Trainer D to conduct a five-day course efficiently, assuming if he would have experienced a physical or a psychological discomfort.

## 5.4 Evaluation of knowledge transfer success

Evaluation or assessment of to what extent the knowledge transfer was successful is two-sided. Firstly, the participants have to give their course evaluations on the last day of the course, assessing the trainer's performance and stating what was the new information they were able to capture. Secondly, trainers would give tests to the course participants to see what was clear and what was difficult to grasp during the course.

### 5.4.1 Evaluation of course participants

Trainers had specified that it is not their responsibility to make sure that the course contents were understood. They do not assess how successful the knowledge transfer from the trainer to the participant was. In fact, it is the responsibility of the participant of the course to intervene with questions and make sure that the information given by the trainer is understood correctly. Nevertheless, it is the responsibility of a trainer to be adequate to the needs and requirements of the course participants; give the information they need and answer their questions when they occur.

Trainer A said that sometimes in order to see whether his course was useful or not he would make a test on a Friday afternoon after lunch – certain cultures the Friday afternoon test would be seen as a threat. Course participants would be *”very much afraid”* that the test results would go to their supervisors. They are afraid that they would be possibly judged on the basis of the outcome of the test and possibly sanctioned. Trainer A had noted that the results never reach the supervisors of the course participants. Trainer A had specified, that those people would come from the South and East. Further specifications on the exact nationalities were not given. Even though the results of the test would stay within a Training Centre, it is beneficiary for the trainer to see whether the course was useful, what were the contents of the course that were understood easily, and which ones were rather difficult for understanding. Mostly, all trainers ask questions during the course – that would help them to identify the points they have to re-pass again or the topics they can skip without making damage to the course agenda

In special cases, however, that is when the customer company specifically requires it; it is possible to make a pre- and post-assessment of course participants. It is rarely done, though, according to the Trainer B. According to him, the pre-and the post-assessment are not done widely because the customer companies believe in good will and self-discipline of the trainees that take part in the course. However, sometimes the company that have sent its people to take part in the course would demand the pre-and the post-assessment. The pre-assessment phase takes part before the beginning of the actual

course, right after the introductory phase. The trainer would ask the specific questions regarding the topic of the course and general information what would go hand in hand with the main area of the course. As usual, the questions are stated in the written form, and the participants answer the questions as they feel the right answer would be. The answers are confidential, and even though the company had specifically ordered the pre-assessment, the specific information about each course participant will not be given to the company. In a way, it will stay anonymous, what the participant wrote before and what were his answers after the course was conducted. This approach is implemented so that even the trainer would remain unbiased and neutral towards each course participant notwithstanding the knowledge this course participant possesses.

After the course the similar test is made. Questions are not similar to those that were in the beginning. However, even in this case the answers are kept anonymous. After the trainer had collected the answers of his trainees, the course session is officially over for the trainees. For the trainer, the course is still going on, and he has to analyse the data he obtained from trainees.

After the analysis of answers that were provided to him, he has to make a short report on what was known before the course and what new knowledge was acquired; what areas of the course remained unclear to the course participants. The analysis is again very general and impersonal: the trainer highlights the areas of knowledge that were covered during the course, and those areas that were unknown before the course, and the ones that left unknown after the course, if any.

This is the way the knowledge transfer success is assessed in the Training Centre. In a way, this is a self-assessment that is done by the participants themselves. This is a very credible way to assess the knowledge transfer and whether it had reached the final user or not. Due to the confidential nature of a self-assessment form, the trainee can state openly whether the knowledge transmitted had reached him or not, what were the difficulties, what areas needed further specification and what part of knowledge and reached him effortlessly. Based on the outcomes of the self-assessment forms the trainer reports his findings to the company. Additionally, the trainer analyses what was understood by the participants and what needed further specifications. The next course conducted for this particular product would emphasize the areas that need particular attention and clarification.

Whenever the self-assessment is not done – when it is not requested by the company whose employees participated in the course, the trainer assesses the knowledge transfer in another way. Trainers ask questions at the end of the course, encouraging participants to ask further questions. Doing this the trainer learns what areas were unclear to the trainees, and trainees have additional possibility to ask for further clarifications and explanations. Therefore, the oral assessment of the knowledge transfer works in the same way as the self-assessment of the trainees. Both methods are efficient and

functional; they show the blind spots in teaching and further on the blinds spots are tried to be repaired by trainers.

However, there are some downsides to both methods. When the knowledge is assessed by the self-assessment form, the participant is more open and he has virtually nothing to hide; he will tell what he had understood along with what was left unclear. The downside of this approach is that the assessment will be seen by the trainer after the course had finished. Therefore there will be no opportunity to implement the follow-up session where the unclear point would be clarified.

On the contrary, the oral assessment made by the trainer might not be efficient; trainees might not be willing to specify what particular areas that were not understood well enough. In some cultures to admit that one did not understand something would equal to one that did not listen, even though different people have different absorption capacities. For some people it is enough to listen once to the particular piece of information and it will be imprinted immediately, and be ready to use. Some people would need to listen to the same thing several times before they would understand and store it, and then several more times before they would be ready to use it accordingly.

Now the emphasis will be made on the evaluation of the trainers after the conducted course.

#### **5.4.2 *Evaluation of trainers***

At the end of the course each course participant would typically receive an evaluation form that contains 20 questions concerning the course. Questions would typically concern the quality of the course and the proficiency of the trainer. Organisational questions are also available for answer. Trainer B stated that the course participant can evaluate everything – from the course contents to the personality of the trainer to the food that is offered in the Training Centre. All remarks and suggestions are taken into consideration. The course participants are free to comment on and criticize if they would need to do so.

Upon completing the evaluation forms would be sent to the consulting company. Once every three months the consulting company would produce a summary of the results, indicating the weak and the strong points of each trainer, pointing out the recommendations and suggestions of the course participants. Results are usually passed back to the Training Centre for consideration. Sometimes course participants leave free comments and suggestions on the evaluation form. These comment and suggestions are taken into account and discussed during training centre internal meetings right away. There is a way to assess the qualification of each trainer within the Training Centre. It is done by the Key Performance Indicator.

Trainer A stated that if the course participants would repeatedly complain about the same trainer then the corrective actions would take place. So far, none of the trainers was a subject to the corrective actions.

The trainers are assessed by their *Key Performance Indicator* number. It is generated by the consultancy company every three month upon the feedbacks received from the course participants. The minimum limit is the 8,7 out of 10. When the overall index is superior than 8,7 – it is considered to be normal performance.

In case when the Key Performance indicator is less than 8,7 the motives of the low result will be discussed during an internal meeting of the Training Centre. Possible solutions and remedies are discussed during the meeting in the interest of increasing the Key Performance Indicator towards acceptable level.

However, in case when the Key Performance Indicator of a specific trainer is high but a random feedback is overall negative, the negative feedback is analysed. In most cases, as Trainers A and D said, it happens because the person who had given a respective negative feedback did not have a motivation to participate in a course or his professional level was different from the one offered in the course. Trainers can do nothing if they have to conduct a course to person that is motivated enough or takes no particular interest in the course. Nevertheless, such not relevant negative feedbacks are still analysed and stored in the Training Centre premises.

### **5.4.3 Assessment of knowledge transfer**

The knowledge transfer assessing process is less complicated and lengthy than the knowledge transfer one. According to Ichijo and Nonaka (2007, 67) there are many ways to outline the success of knowledge transfer. Overall, knowledge has to be useful in the context to which it was transferred. For instance, if the transferred knowledge is used in a new setting, the transfer can be considered successful. (Ichijo and Nonaka 2007, 67). However, some tend to argue that in order to consider the knowledge transfer successful, the obtained knowledge has to be internalized, therefore emotionally and rationally accepted to be a part of one's intellectual asset. (Ichijo and Nonaka 2007, 67) argue that it is quite rare when the knowledge transferred equate to knowledge replicated.

In turn, Faye et al. (2008, 32) state that assessing transfer by its results involves verifying whether the intended effects matched those determined at the outset. In other words, what was achieved at the end of the knowledge transfer process is compared to what was initially meant to be achieved at the beginning of the knowledge transfer process. Furthermore, Faye et al. (2008, 33) identify several components in knowledge assessment process. Firstly, the *knowledge utilization* component deals with the extent

to which the transferred knowledge is exercised by the knowledge recipients. Secondly, *transfer results* component deals with comparison of the initial aims of the knowledge transfer and the end result of the knowledge transferred. Thirdly, the *impacts* of the knowledge transfer are measured and the unforeseen results of knowledge transfer are also examined, as the application of knowledge transferred can result in outcomes that are different than were originally anticipated and awaited for.

Based on the information above, it is possible to identify how exactly the assessment of knowledge transfer is done within the Training Centre. The result is presented in Figure 11.

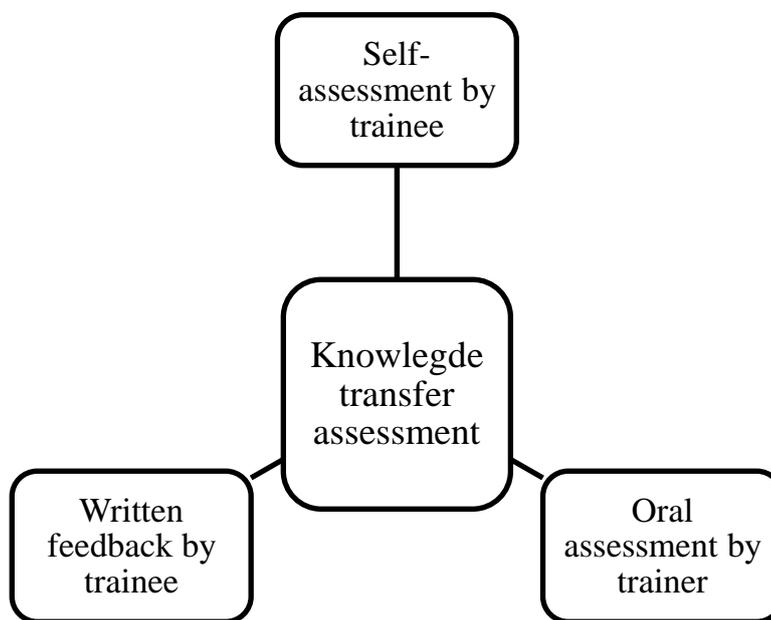


Figure 11 Assessment of knowledge transfer in the Training Centre of Company X

The knowledge transfer and to what extent it proved to be successful can be assessed by the two parties: by the knowledge sender and the knowledge receiver. Self-assessment and the written feedback are given from the side of a trainee, while the oral assessment is done by the trainer. Basically, the assessment of what was covered during the course and what was understood by the trainees is done. Based on what was not understood and what were the comments of the course participants on the trainer and his teaching abilities, it is possible to conclude, whether the knowledge transfer was successful or not.

The trainers check upon the course participants constantly during the course. Based on what the participants know, how they respond to new knowledge, how they understand it – the level of the course can be managed. For instance, if the particular course proved itself to be rather demanding for participants, the trainer can alter the

course and move it to the direction more familiar for participants. After all, both the sender and receivers of the information are there to send and absorb new knowledge respectively, not just to listen and to forget. The trainers are interested in conducting quality courses as it will increase their Key Performance Indicator. In turn, the Key Performance Indicator is a demonstration of a well-being of a Training Centre as a whole. If it is high, it shows that plenty of quality courses are conducted there, thus, customers are satisfied, and this leads to more demand for their courses in future in that particular Training Centre. Overall, the better the trainers do their job- the more job they would have in future. By ensuring they conduct good quality courses now they will ensure their course schedules full in future. Therefore, trainers are interested in conducting a good course and being attentive to the needs of their participants. They are also interested in assessing them, as many of the customers are returning customers, therefore it is easier to already know the level of a particular group of people for when they will attend a course again.

As it was already stated in the previous section, sometimes the course participants are required to take a form of a test after the course required by their own employer to monitor, whether the course was useful, and if there is a room for improvement or need for other course with different difficulty level. These kinds of tests are primarily for the clients, they need to see if the course they bought in a Training Centre was useful or not. With these tests it is possible to see, if the knowledge is utilized as it is supposed to be utilized, and what are the results of the transfer and impacts of the course in general. While the client is assessing the course from a point of view of a buyer “Was it worth the money I spent on it?” the trainers assess their training qualities and abilities to conduct courses, to explain and to teach. Both the client and the trainer have same goals, though. They need the transferred knowledge to reach the course participants. The constant trainer’s support and willingness to give further information on course contents as well as the willingness of the clients to find out the “blind spots” in the course usually benefit a lot the course participants.

To summarize, the knowledge transfer assessment is two-sided in the Training Centre of Company X. First part of it deals with trainee’s assessment. It is done usually before and after the course. Before the course the trainee has to scrutinize and as objectively as possible assess his own knowledge. These will not only help to compare the pre-course and post-course knowledge and expertise for the trainee himself, but also emphasize the weak and strong parts of trainer’s teaching qualities. The trainee’s self-assessment has a pivotal role for the trainer as well. The initial level of knowledge is assessed and the course is modified according to the needs of the course participants. The post-course written feedbacks by the trainees are strictly for the trainers, as they assessed by trainees how well the course was performed, what was good and what was bad. What part of the course seemed useful, understandable and clear, and what was not

well explained or simply not included into the course. Trainer's assessment, the second part of the assessment, has the most prominent role in terms of evaluation if the course succeeded or not. Trainers are professionals with extensive hands-on experience on the field. They can understand right away whether the knowledge they are trying to transfer reached the final user. They are skillful of judging if the knowledge transfer fully reached the trainee, and if not- what prevented it from reaching the trainee. Several days of the course are specifically dedicated to the practical in-field training where trainees learn to put their codified knowledge to practice and engrain it so that they can replicate it effortlessly upon completing of the course.

## 6 CONCLUSIONS

### 6.1 Theoretical implications and contribution

This thesis did not aim to make a breakthrough in existing knowledge sharing models and theories. In fact, the model of knowledge transfer suggested is somewhat similar to many more that are known up to date.

However, based on the suggestions and comments received from the interviewees – a lot of existing knowledge transfer models tend to seem overcomplicated when it comes to actual knowledge transfer process. The knowledge transfer process is never simple, it has several stages, and it should be conducted within a specific setting and mind-set of all knowledge transfer process participants. However, according to the observation of the interviewees whose ideas were used for this thesis, the knowledge transfer is just a mere information exchange with some extra features. In a way, knowledge transfer can be described as “information sent-information received” system. Basically, this is the essence of the information sharing. What makes the information sending into knowledge transfer is that the information is sent to the receiver with further follow up, specification or further explanation. The sender actually cares if the receiver got the information, whether it was processed correctly and what is the final shape of the information perceived.

Hence, taking into consideration all remarks and notifications of trainers, simple yet compressive and functional model was presented in chapter five (see Figure 10 for a reference). This model can be used in an international setting where there is an information sender and one or more information receivers, and by organisations that transfer knowledge often on the daily basis as a guidance in knowledge transfer process.

The model comprehends such stages of knowledge transfer as: initiation, absorption, challenging, acceptance, adaptation, implementation (and challenging). It is possible to conclude that when it comes to the real-world practice, the trainers use patterns of behaviour and go along with steps that they have been performing over and over again numerous times. The steps have to be concrete, concise and easy to follow. The similar pattern of knowledge transfer can be implemented in other settings with other type of knowledge, other trainers and other trainees- yet the stages would be fairly similar to the ones mentioned above. Perhaps, the challenging stages may have been left out depending on what is the culture and nature of knowledge receivers. It is clear that some cultures more than others tend to challenge the authority of the information sender, therefore, challenge the validity of the knowledge that had been transmitted. In some cultures the newly transmitted knowledge will be challenged almost always; in others this knowledge will be taken for granted, and mostly because of the authority of the

information sender. Regardless the possible omission of the “challenging” stage the model remains functional. The stage of challenging the newly acquired knowledge can be seen as a “natural” or predictable stage. That does not mean that one has to challenge everything that he or she hears: rather it is usual to doubt in something that is new, especially if the new knowledge conflicts with the already existing old one.

It is advisable to see the knowledge transfer as a process rather than a simple act: knowledge transfer is a continuous process, not a simple one-way transmission. The knowledge should be discussed after it has reached its receiver. It can and sometimes should be challenged, specified and followed-up. Only when the knowledge transfer is seen as a knowledge exchange between two parties rather than just information giving without following up there is a good chance that the knowledge transfer was successful.

## **6.2 Limitations and suggestions for further research**

In terms of limitations to this research, there are several of them. First and foremost, the study is conducted using a Training Centre of a multinational corporation as a case study. The limitation here is that the corporation in question has only a handful of competitors, and therefore it would be difficult to conduct similar research to compare the results obtained. Second limitation is that the outcome of this research discussed in section five depends extensively on the point of view of a particular person. In a way, if there would be a respondent of a different background or different culture – the reply could have been different. It is essential that the practical part of this thesis is based upon the four interviews given by four employees. Their own opinions were expressed during the interviewing. These opinions are accepted as a truthful base upon which the thesis’ practical part is constructed. It is extremely difficult to be fully objective when expressing a judgement or consideration or even simply answering the question.

In terms of other further research suggestions, the further research can be made on the knowledge transfer processes in the multinational corporation. Several potential ideas are listed below. First option for further research would be the in-depth analysis of the knowledge transfer mechanisms: which ones are more suitable for the intra-organisation knowledge sharing and which ones are the best for extra-organisation knowledge sharing. Knowledge sharing patterns from unit to unit of the multinational corporation might be the other point worth profound investigation. For instance, the multinational that has one office, say, in Europe and another one in Asia. The knowledge transfer pattern ought to be different due to the cultural differences. As it became clear from this work, culture does affect the way people behave and share knowledge. It would be quite interesting to see how the two opposite cultures compare

in terms of knowledge sharing: what is common in one case and what is normal in another.

The third possible area of research might be the knowledge sharing within the multinational corporation using virtual communication. It is common now to have online conferences – they noticeably save time and costs for the company. They are quick, efficient and easy to organise. It would be logical to assume that people from different cultures are involved in such knowledge sharing sessions. Therefore, an extensive study of how the cultural differences are managed and overcome during such sessions would be relevant. The fourth suggestion might be on how the multinational corporations manage the cultural differences within their premises. Most probably, the multinational corporation employs people of multiple nationalities, and it would be attention-grabbing to investigate how the massive number of people of different cultural backgrounds and believes manages to interact without collisions.

Overall, the combination of research topics is endless. There are so many aspects in the day-to-day operations in the multinational companies that inevitably intertwined with culture, and all of them can be a good start for a comprehensive academic research.

## 7 SUMMARY

Knowledge management is an important subject in International Business environment. Knowledge transfer, in turn, is essential when speaking about the day-to-day operations in multinational corporations. The main asset and competitive advantage almost all companies possess now is knowledge and expertise.

Knowledge-based resources may come in different forms: human capital, relational capital and structural capital. Structural capital of the company can be divided into technological and organisational capital. This thesis emphasises the organisational capital of the corporation. Organisational capital of the corporation may be seen as knowledge and experience of the employees. Mainly, this thesis is concerned with the tacit knowledge residing within a multinational corporation, e.g. with the heads of the corporation employees, their codified experiences and their skills, and how this knowledge is transferred. It was aimed to combine the two academic fields that are of a particular interest to the researcher: the knowledge transfer and cultural diversity. To specify, this work deals with a real life case study – a Training Centre of a multinational corporation. The purpose of this study is to investigate the procedure of knowledge transfer in the multinational corporation. It is made by dividing the research into sub-questions and answering them:

- *What difficulties occur in training centre when global customer training activity is performed by trainer(s)?*
- *How cultural differences influence a cross-cultural communication?*
- *How to ensure transfer of tacit knowledge cross-culturally?*
- *How the assessment of the knowledge transfer is done to ensure that the knowledge transfer was successful?*

The trustworthiness of this research is increased by the fact the interviews for the thesis were the actual employees of the corporation. They all have experience and expertise in the field. Their identity is not revealed at any stage of the research, thus they were free to answer the research questions openly.

To answer research questions, the literature review is conducted first in fields of culture and knowledge transfer. The work commences with the exploration of what culture is, what the cultural differences are, how they affect people's perception of the world around them. Hoecklin (1994, 25) suggests that culture is not right or wrong, it is inherited; and recognizes the wide variation in individual values and behaviour within each national culture.

The second step is to identify the term of knowledge transfer. Thus, knowledge transfer is regarded in this work, according to Argote and Ingram (2000, 151) as a process through which one unit is affected by the experience of another. Various knowledge transfer models showed graphically how the knowledge transfer process

actually works. Some transfer models are simple, while others are rather difficult to comprehend at first. According to the outcome of the research, the actual model that is accepted in the case study company is rather similar to simpler versions of the knowledge transfer models. The research has revealed an important difference between the models from the literature review section and the one used in the case study company. It turned out that the stage, at which the receiver of the transferred knowledge challenges the information he is getting, is missing out from the models proposed in the literature review section. There were several models, and none of them contained the Challenging stage. However, the respondents that have contributed to creation of a comprehensive knowledge transfer model used in the case Company X, assert that the stage, when the information receiver challenges the information that is being absorbed by him is natural and normal. Further on, the explanations of the challenging stage is given. Moreover, tacit knowledge is recognized as important by the case company trainers. The efficient ways to transfer the tacit knowledge are covered in the thesis. For instance, the “watch and learn” approach to the tacit knowledge transfer is preferred over the more traditional “listen and remember” by the trainers of the Training Centre. Cultural influences on the knowledge transfer are covered as well: the symbolic division to “cold”, “warm” and “neutral” cultures is made; several practical examples are given to illustrate the topic. Factors that contribute to successful knowledge transfer are discussed as well. To mention just a few: the physical factors, such as workload, infrastructure and course contents go along with psycho-physical factors, such as motivation, positive attitude and trust. Along with language and communication skills these factors can contribute to knowledge transfer process and similarly can complicate the knowledge transfer process. The procedures of knowledge transfer evaluation are also covered in the thesis – the comprehensive model that illustrates the assessment of knowledge transfer is created. The model shows that the assessment is ought to be three-sided: the trainee’s self-assessment, trainer’s assessment and the written feedback by a trainee form the complete knowledge transfer assessment formula. Only when the three dimensional assessment is done, it is possible to ensure an efficient knowledge transfer, follow-up and successful patch-up of the course contents that were not fully understood by the course participants.

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## APPENDICES

### APPENDIX 1

### INTERVIEW GUIDE FOR COMPANY X

#### **Interview Guide for Company X**

1. Background of the interviewee? Current position, education?
2. How often the trainings are conducted and how hard is the workload per person per course?
3. How the typical training is proceeding? What are the main building blocks of the course? How long is the typical course?
4. What do trainers have to know beforehand about the trainees?
5. Does the knowledge sharing happen only with customers or with colleagues from another company's units? Or both?
6. What are the typical conflicts that occur during the initial stage of the course, if any? Can you give examples?
7. Are there any specific guidelines for trainers in case if the difficulty occurs while the knowledge transfer takes place?
8. Did trainers have any courses on cross-cultural communication to help them to cope with the pressure to communicate with people of different cultures?
9. What about the personal characteristics of the people involved into the process? How do they influence on the knowledge transfer?
10. How you as a trainer act if you realize that his individual values and behaviors within his individual culture vary drastically from the behavior and culture of the trainees?
11. How does the training of people of different nationalities differ? Are there any "easy" or "difficult" to manage nationalities? If yes- mostly who?
12. What is the role of a trainer in creating the positive and friendly atmosphere in the auditorium?
13. Do trainers use any computer aided design, or virtual reality or intranet to help to visualize the things they talk about? If yes- what are they? If no- why not?
14. What about other requirements that are needed to ((the intangible requirements)) to ensure the knowledge transfer? (e.g. trust, mentoring, motivation).

15. How the trainers ensure that they are properly understood? To what extent the professional translators are used during the course? What are advantages and disadvantages?
16. Does the infrastructure play important role in supporting knowledge and information sharing? If yes- how? If no- why it is not important?
17. Do trainers use any particular knowledge transfer model when transferring knowledge?
18. What kind of feedback that the clients can give to the trainer? How the feedback given by the trainee influences the same course that is conducted in future?
19. What are the consequences (if any) in case if the contents of the course were not according the trainees' expectations?
20. How often the contents of the course are revised and updated?
21. What are the stages of the transfer of knowledge?

## APPENDIX 2 OPERATIONALIZATIONAL TABLE

The Thesis Research Question	Sub Questions	Theoretical Reply
Q: How to ensure successful knowledge transfer process during intercultural communication in a multinational training centre?	SQ1: What difficulties occur in training centre when global customer training activity is performed by trainer(s)?	Tacit knowledge transfer mechanisms and patterns; types of knowledge-based resources.
	SQ2: How cultural differences influence an intercultural communication when transferring tacit knowledge?	The determinants in knowledge sharing; Comparison of high-context and low-context cultures; Cultural models
	SQ3: How to ensure transfer of tacit knowledge cross-culturally?	Cross-cultural communication frameworks; Knowledge-transfer models and integrated transfer programs.
	SQ4: How the assessment of the knowledge transfer is done to ensure that the tacit knowledge transfer was successful?	Answers obtained from trainers, because the author was interested in the assessment of the knowledge transfer within this particular case company