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Stickiness in knowledge transfer

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Abstract

Stickiness is a metaphor for the difficulties encountered in transferring knowledge. The concept of stickiness is first mentioned by Von Hippel (1994), who used the term to describe the costs in accessing and sharing information for technical innovation due to the fact that knowledge is socially embedded within the organisation and its practice. The way information is encoded is typically different from how it is socially embedded. As Nonaka (1995) argued, some knowledge systems are explicit whereas others are tacit. As the cost of encoding information, which is tacit, or socially embedded, increases, stickiness also increases.

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Stickiness in Knowledge Transfer

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Szulanski (1996) explores Von Hippel's idea further, providing detailed explanations of different types of stickiness and how stickiness in different circumstances hinders knowledge transfer. Intra-firm knowledge transfer is seen as an unfolding process in which characteristic factors appear in greater or lesser degrees and in a certain order.

The four stages of knowledge transfer, according to Szulanski (1996), are as follows:

1. *Initiation* – transfer starts when both knowledge and the need for that knowledge exist.

2. *Implementation* begins with the decision to act on this need. Resources flow between recipient and source and sometimes a third party. The transfer of specific social ties between source recipients is established. Transfer practice is often adapted to suit the needs of the recipient. Implementation related activities slow down or stop as the recipient begins using the transferred knowledge.

3. *Ramp-up* begins when the recipient starts using the knowledge, usually experiencing some problems, but gradually improving performance, 'ramping up' toward satisfactory levels.

4. *Integration* begins when the recipient achieves satisfactory results. The knowledge becomes institutionalised (Szulanski 1996). Each stage is linked by knowledge, which is socially embedded in human action, interactions and practices.

Barriers causing stickiness can also be understood in terms of personal and organisational barriers to knowledge transfer.

Personal factors include lack of motivation, often due to arduous relationships between the parent and the subsidiary, or the sender and receiver of the knowledge (Szulanski 1996; Gupta and Govindarajan 2000; Zarranga and Bonache 2005, 2008; Minbaeva 2007).

Difficult relationships causing problems with knowledge transfer can have various causes. Chang (2004) found that, as geographical distance increases, so trade decreases, as cultural, administrative, political, and economic dimensions create barriers causing stickiness to knowledge transfer. Cultural and administrative distance produces the largest stickiness effects. Chang's conclusion is that the working relationship between parent and subsidiaries is easier in countries with similar cultures, common memberships in a regional trading bloc or which share the same currency than when the subsidiaries do not have anything in common.

However, Harzing, Sorge, and Paauwe (2001) disagree, arguing that while distance might play a major role in the relationship between parent company and subsidiary, countries can be close in distance, but differ dramatically in their business systems. The European Union is a perfect example. While member countries are geographically very close to each other, cultural differences cause some very difficult discussions among them.

Lack of motivation on the part of staff in a subsidiary arising from a lack of psychological ownership can also be a 'personal' stickiness problem (Dirks, Cummings& Pierce 1996). Staff in a subsidiary may be reluctant to transfer knowledge to other units within the company for fear of losing a position of superiority, or because they believe they are insufficiently compensated for the efforts and costs involved in knowledge transfer. Given information imbalance between an Multi-National Company (MNC)'s top management and the local subsidiary, it may not be in the interest of members of the subsidiary to transfer knowledge to other MNC units, even though this would enhance overall MNC performance.

Other personal barriers are recipients' lack of absorptive capacity, their lack of retention capacity, causal ambiguity, and adaptation problems (Kostova 1999; Szulanski & Jensen 2004; Minbaeva 2005). There are also cognitive barriers such as faulty communication between individuals, cognitive biases, headquarters' arrogance, and miscommunication caused by language problems and training issues; distrust, lack of understanding and reluctance to change (Minabaeva, Pedersen, Bjorkman, Fey& Park 2003; Jensen & Szulanski 2004).

Organisational factors, such as structures, management practices, and systems that discourage knowledge sharing usually fall into five basic categories (O'Dell & Grayson 1998). These authors classify the firms in which these problems occur as follows:

1. The *silo* company where knowledge sharing is discouraged beyond the walls of a particular organisational unit;

2. The *not-invented-here syndrome* company, where workers are unwilling to absorb information not created in their immediate environment;

3. The *Babel* company, characterised by chaotic systems, where the right hand does not know what the left hand is doing;

4. The *by-the-book* company, which focuses on explicit knowledge rather than tacit knowledge, and;

5. The *bolt-it-on* company, where it is expected that knowledge sharing is additional work for overworked staff.

Managers might say they will reward knowledge sharing, but instead punish employees for 'wasting time' in knowledge transfer. Often, management is results-driven and individuals are measured on results, not on sharing knowledge.

Competition amongst individuals and divisions discourages knowledge transfer.

Knowledge flow is impaired if employees identify more with their unit than with the organisation as a whole (Burgess 2005).

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