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Absorption and application of management knowledge

Guest Editors: Gerhard Fink and Nigel Holden

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Guest editorial

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Absorption and application of management knowledge

The impact of cultural and psychological factors on knowledge transfer activities is of particular concern to the knowledge management community and the wider community of management scholarship. It is no exaggeration to say that both in research terms and in general practitioner understanding this issue is vaguely understood. The five contributions in this Special Issue of ***JMP*** **give a very clear picture of the complexities of cultural and psychological factors as constraints on perceiving, capturing, interpretation and implementation of management knowledge.**

In the recently published special issue on Global Transfer of Management Knowledge for *The Academy of Management Executive* (Fink and Holden, 2005) we could note that the transfer of management know-how from any cultural base is seldom straightforward and that it can take a long time: even years. Indeed, the more detailed and thorough the preparation, the less likelihood of *intractable* problems. Part of the preparation involves the nature of the knowledge and recognition that *the transfer process itself is part of the knowledge received*. Thus, design of the transfer process to suit recipients and potential beneficiaries is of vital importance. It is essential to explicitly build cultural empathy into the management of international operations so as to handle vagaries of specific interfaces.

Whilst it goes without saying that any successful act of knowledge transfer requires the fullest possible understanding of local and regional contexts, we observed that part of this understanding can involve special forms of empathy. For example, if the transfer of management know-how involves uniform procedures, which by headquarter managers in power are mostly considered to be "rational", local or regional management is likely to establish its own informal subsystems and routines. This occurs not as an act of defiance, but as an attempt to modify those procedures so that they are better received at the local end. If headquarters cannot supply solutions that serve the needs of subsidiaries, the management role of headquarters has to be questioned.

The fact that the authors of this special issue for *JMP* were required to discuss knowledge transfer from the point of view of both *absorption and application* meant that by building on recently published literature they were able to highlight subtleties and nuances that appear to be disconcerting in practice, yet so far considered to be of minor significance to KM researchers. One such issue concerns the language barrier, a habitually undervalued and misunderstood influence on cross-cultural knowledge transfer in specialist literature composed by authors whose native language is English.

The contribution by Andrei Kuznetsov and Hanna Yakavenka, "Barriers to absorption of management knowledge: some evidence from the post-Communist era", exposes a rarely considered aspect of the transfer of Western management know-how to former socialist countries now coming to grips with the market economy system. Their study of the absorption of management knowledge through the channels of higher education in Belarus reveal how a complex mix of factors influence the quality of the transfer process: the variable openness of professors to this knowledge and their equally variable ability to handle it in English, the limitations of suitable textbooks as well as attitudes and behaviours lingering from the communist period.

What emerges is a picture in which Western management knowledge is transferred without much adaptation of content. But, as this knowledge is assumed to have proven its high validity in Western societies, the material is translated more or less literally into Russian. Nevertheless, as Kuznetsov and Yakavenka report, 40 per cent of their sample of Belarus professors are unhappy with the overall style of the texts and question the validity of translations. The authors make it clear that the transfer of management to Belarus is based on Western assumptions about the universal validity of that management knowledge and the availability of sufficient absorptive capacity locally to make the process efficient. The reality is rather different. The case study shows that the massive sums of money from European and other international sources to support the transition from communism to the market economy in the more easterly lying socialist countries of Europe have, even after 15 years, only partially succeeded as an exercise in international transfer of management knowledge.

Kuznetsov and Yakavenka call for an intensification of knowledge transfer "through increasing its interactive component by providing channels for direct interaction between educators in the newly independent states and the West". This may at first glance sound impracticable, but their solution may well be the only one which in the medium term has the best chance of raising local absorptive capacity. Without applying this solution the outlook suggests a perpetuation of well-meaning, but fatally misguided knowledge transfer efforts.

The contribution by Kuznetsov and Yakavenka is close in spirit to the article by Christopher Kayes, Anna Kayes and Yoshitaka Yamazaki. In their article "Essential competencies for cross-cultural knowledge absorption", these authors highlight what they call "seven thematic competencies for [cross-cultural] absorption", all of which focus on the central task of building relationships and the often underrated importance of transferring complex ideas into other countries. For them knowledge absorption is a form of information processing, in which foreign language capability plays a key role not only as a means of cross-cultural communication, but as facilitator of learning in foreign environments. This is an important observation, highlighting that a lack of foreign language competence – a distinctive attribute of US and UK managers – is in turn a barrier to the acquisition of the all-important contextual knowledge, which is a source of insight for unravelling ambiguity.

Of particular value in the article by Kayes, Kayes and Yamazaki is their Figure 2, which is a graphical representation of their key ideas. This model draws an important distinction between new and extant knowledge, between knowledge that is acquired from the outside and processed from the inside. They then represent knowledge processing in four modes: gathering, generating, applying and organizing. We commend this model as an important variation and extension of the famous Nonaka/Takeuchi model as it puts emphasis on absorption and application of knowledge from external sources and has potential as a conceptual instrument for capturing significant cross-cultural detail. This article then reminds us that the temptation to see international knowledge transfer solely in terms of strategic power relations has serious disadvantages: that this perspective does not take account of the complexities of relationships between individual people who together form a community of practice or who in, say, a merger, are expected to find common cognitive ground with each other – and find it difficult when, as is frequently the case, the process of merging becomes unhinged.

Kayes, Kayes and Yamazaki focus in part on the role of expatriates, whose role of knowledge mediators between corporations and distant subsidiaries and markets is becoming increasingly examined in the management literature. As the authors point out, the literature suggests that all too often expatriate managers find "it easy to isolate themselves from the host culture". This issue concerning the gap between expatriates and the local business community is taken a stage further by the authors of our third contribution, who shift the focus from expatriate managers to "foreign employees being managed at host country operations." In their article "Forms of host country national learning for enhanced MNC absorptive capacity" Charles Vance and Yongsun Paik build on the well-established finding that: "past research ... generally has failed to identify important contributions that can be made by host country nationals to promote the effective transfer of knowledge throughout the multinational organization."

On the basis of an empirical investigation involving 51 managers as informants in 49 different MNC foreign subsidiaries with home bases in France, Japan, Germany, Korea, USA and UK, the authors identify 12 categories of learning needs among host country nationals. Their investigation suggests a picture of top management detachment and aloofness vis-à-vis their host country employees, a reluctance to consult and trust these colleagues. They argue that, unless these employees are empowered to receive expatriate knowledge and know-how, their absorptive capacity

remains underused and that MNCs need to consider forms of in-company training to align the strategy of the company with the potential of those employees.

The open gaps between detached and aloof headquarter managers and expatriates, on the one hand, and their respective host country counterparts, on the other, stress the need for a conversationalist disposition amongst managers and the need to put emphasis on "rational" *and* "non-rationalist" elements of active discourse. In their article on the increasingly important African management concept of *Ubuntu* Karsten and Illa put strong emphasis on the role that both language and discourse play in transmission of management knowledge. A traditional sender-receiver model, e.g. that of Gupta and Govindarajan (2000), considers knowledge management as a set of objective messages. The intrinsic merits of these messages and characteristics of the potential adopters are considered to be the sole contributors to the success of its transfer. Such a perception supports the view that strategic implementation of management concepts through power relations is dependent on the capability of key managers to persuade their subordinates to accept a management tool without a mutual understanding of its merits.

By contrast, the African concept of *Ubuntu* makes us realize that for the validity of a management concept it is not enough to focus on its propositional truth. With reference to Habermas' concept of pathos, logos and ethos, Karsten and Illa emphasize that the knowledge contained in a management concept has to be understood in terms of its rightfulness and truthfulness. *Ubuntu* strives beyond a purely strategic management approach based on power in order to embrace the way company members interact and share experiences. It recognizes labour as human and not just as a piece of property that is valued by market forces. As such it helps to bridge the gap between official and unofficial organisational cultures. By integrating in management actions the three validity claims of truth, rightfulness and truthfulness, a conducive and collaborative atmosphere can be created that serves the urgent need for interconnectedness, conviviality and harmony in workplaces.

We are especially pleased to be able to publish this very timely paper in the light of the world focus on the plight of Africa. As African countries are drawn more and more into the global ecomonic system, the role of *Ubuntu* is likely to grow rather than diminish, as it will become a key element in the management systems of African organisations. The analogy with Japan is instructive. Japan did not become a global player by the Westernisation of its management systems, but rather through its resistance to them in order to protect Japanse companies saw as their culturally ordained instrinsic strengths. We can expect that Africa will exploit *Ubuntu* in a similar way.

That interconnectedness, conviviality and harmony in workplaces, mentioned by Karsten and Illa, cannot be achieved straightforwardly nor within a short period of time is impressively demonstrated by Nancy Napier on her ten-year experience with *Knowledge Transfer in Vietnam: Starts, Stops and Loops*. At first there was a very brief period of smooth and unchallenged flow of explicit and simple textbook knowledge from foreigners to Vietnamese professors. Then the process came to an abrupt halt, as the Vietnamese started to claim that "Vietnam was a special case", resisting the foreigners' lofty view of their management knowledge. For the foreigners this shift of behaviour was tough to accept.

Time passed, and committed foreigners became familiar with the internal constraints of the Vietnamese system. Only then could they build trust and began to learn from the Vietnamese. As a result both sides could open up to each other again. The foreigners were no longer just mentors, but became colleagues. Intriguingly, the actual turning point was marked by an open confrontation between the Vietnamese and their foreign colleagues. This confrontation became possible only after the foreigners had become perceived as partners who were prepared to operate within the constraints of Vietnamese culture.

Extending on her earlier writings and that of Holden (2002), Gupta/Govindarjan (2000) and others, Napier identifies four core elements as a framework of analysis:

(1) stages of relationship;

(2) participative competence – to be applied to senders and receivers alike about their ability, motivation and understanding of knowledge;

(3) organisational atmosphere - between and within organisations on both sides; and

(4) conduit conditions which facilitate the ease or difficulty of knowledge flows.

We consider it worth highlighting a highly notable feature of Napier's paper: namely its description of how radical system change in Vietnam induced a collective culture shock, which expressed itself in learned helplessness and scepticism about rewards to be given for personal efforts and achievements. It was frequently observed that it took 18 months up to two years before the Vietnamese were willing and able to take their own decisions. Similar "periods of unexpected initial resistance" were also observed in several case studies in the special issue in *The Academy of Management Executive* (Fink and Holden, 2005).

Taking together all five articles in this special issue, which covers a geographic range across four continents, it is striking how the five sets of authors point to a failure on the part of "knowledge deliverers" – whether the West as a source of management know-how or a corporation handling relationships with its subsidiaries – to take account of attitudes, feelings and specific features at the receiving end. In the context of our articles such features range from the intelligibility and perceived value of Western management texts to a sense of affront in host country subsidiaries at not being trusted by top management in a remote head office. Either way the transfer of knowledge is rendered difficult. Self-esteem is damaged; absorptive capacity lies dormant

As it happens, all five sets of authors contend that patience, training and human resource development methods are called for. This is of course easier said than done. The scope and specialisation of such interventions go far beyond what is customarily available in cross-cultural management education. Whilst that particular challenge goes unmet and possibly unrecognised, we must expect to live in a world in which knowledge sharing remains a great buzz-word, but is habitually compromised by a heavy-handed and frequently power-based approach to knowledge transfer.

We have pleasure in commending this Special Issue to the readers of the *Journal of Managerial Psychology.*

The invitation to edit or co-edit a special issue of an academic journal is an honour and requires hard work. Concerning the honour, we would like to thank Yochanan Altman, the outgoing editor of JMP, for inviting us to co-edit this Special Issue. We

gladly acknowledge Nancy Rolph and James Werbel for their continued support and advice especially in the finalization phases. As for the hard work, our task has been made considerably easier thanks to the meticulous administrative support of Elisabeth Beer of the Europe Institute at Vienna University of Economics and Business Administration. We express our warmest appreciation to her.

Gerhard Fink and Nigel Holden

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Barriers to the absorption of management knowledge in Belarus

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Abstract

Purpose – To identify factors that impede the absorption of management knowledge imported into transition countries, using Belarus as a case, in order to increase efficiency of knowledge transfer.

Design/methodology/approach – The findings are based on three sources: the extensive analysis of the academic literature; the results of a detailed survey and interviews; and personal observations and impressions gained by the authors during almost ten years of participation in technical assistance programmes for Belarus universities financed by the British Council.

Findings – The study reveals a combination of factors rooted in linguistics, culture, training and ambience that prevent knowledge transfer from fully achieving its objectives as a modernization tool insofar as knowledge gets distorted or missing during the transfer process.

Practical implications – The proposed solution is to intensify the knowledge transfer even further through increasing its interactive component by providing channels for direct interaction between educators in the newly independent states and the West.

Originality/value – This paper introduces new original data, provides an analysis of an important practical issue and offers a feasible solution to this issue.

Keywords Knowledge transfer, Knowledge management, Communication, Company performance, Belarus

Paper type Research paper

Communication is the generation of meaning (I.A. Richards).

Introduction

From early 1990s Russia and other former Soviet republics, currently known as the newly independent states (NIS), have seen a massive influx of foreign management educators, a flood of translated management textbooks and the introduction of exchange programmes allowing local educators to receive training abroad. These efforts have been spearheaded by such organizations as the World Bank, USAID and the European Community, which pledged very substantial funds in support of educational programmes in the NIS. The objective has been to instigate an immediate change in business practices but also, and probably more importantly, to create foundations for a long-term transformation and modernisation of managerial practices in these countries.

There are growing numbers of younger managers and entrepreneurs who have had little or no exposure to the pre-reform business routines and were educated with the help of western texts (and their domestic imitations) and western training methods.

Despite this, managers in the NIS often intrigue western experts by making strategic and tactical choices that blatantly contradict expectations based on western experience and mainstream western theories; western companies that want to deal with Russian and other NIS firms still encounter difficulties in achieving understanding with their counterparts (Elenkov, 1998; Thelen and Zhuplev, 2001). This, according to the relational assets (R-assets) theory (Dunning, 2003), is likely to have very serious implications for economic growth of the NIS as international investors increasingly place the R-assets of firms with which they want to have association at the top of their locational preferences. R-assets of a firm include such parameters as trust, adaptability, beliefs, dependability, etc. that are related to the general outlook, values and attitudes of the managers. Because R-assets are highly context-specific, similarity in the training background of the managers engaged in cross-firm relationships is a factor contributing to the success or failure of international business activities of NIS firms.

Controversial behavioural patterns observed in the NIS business circles defy a simple explanation. There is no doubt that to a great extent they are brought about by a specific operational environment that often remunerate choices that should be a ticket to failure in a fully-fledged market economy. However, there is also a possibility that the quality of managerial training can be at fault. In this case the effectiveness of the existing forms of knowledge transfer requires re-evaluation.

It would be extremely useful to be able to appraise such effectiveness directly. However, this is hardly possible. While the statistics of graduations, available business courses and MBA programmes are easily accessible and may be suitably impressive, these figures say nothing about the quality of knowledge obtained by graduates. The issue of quality of education is of enormous complexity and cannot be dealt with in a single article. However, there is one aspect that is particularly relevant when looking at business education as a form of international knowledge transfer. It has to do with the risk of distorting or losing the meaning of the message in the process of transfer due to differences in perception that may exist between senders and receivers. The literature directly links the absorptive capacity of the recipients of new knowledge with the existing level of prior related knowledge (Cohen and Levinthal, 1990). This approach has an advantage in focusing attention on the practical side of the quality of knowledge transfer because it allows the identification of possible weak links in the chain of transfer and suggests improvements.

Theoretical background

The conceptions that offer important cues regarding the efficiency of the international knowledge transfer are the theory of communication (for summary see Griffin, 2003), the theory of knowledge management (Sherif *et al.*, 1965; Sherif and Sherif, 1969; O'Keefe, 1990) and the theory of intuitive choice (Kahneman and Tversky, 1973; Tversky and Kahneman, 1986; Gilovich *et al.*, 2002). According to communication theory, the process of knowledge transfer is only possible when ideas are first encoded into a textual, visual or some other form. As follows from the classical model of communication by Schramm (1961), the receiver obtains not the original ideas but their encoded image that has to be turned back into ideas through decoding (Figure 1). This has the potential to create distortions if there is a mismatch between encoding and decoding as, for example, different meanings can be attributed to the same words (semantic noise).

Shramm's model emphasises that the presence of common social awareness and cultural conventions (field of common experience) makes the encoding/decoding process easier and more efficient by providing some pointers to intended meaning. The field of common experience is crucial because it contributes to a "feeling for context" that is essential to avoid or minimise the distortion of communication (Eco, 2003). In relation to international knowledge transfer it is important to note, however, that the more specialised the message the narrower the field of useful common experience is likely to be as commonalities in general culture cannot be relied upon to provide adequate cues any more. Professional sub-cultures, relying on specially developed jargon to convey very particular ideas, begin to play an ever greater role (Monti-Belkaoui and Belkaoui, 1983; Doupnik and Richter, 2003).

The communication sequence, therefore, is not unambiguous even if it is assumed that the sender and receiver share the language and general culture. In the case of international knowledge transfer things become even more complicated: semantic distortions multiply following the need to translate messages from one language into another while socio-cultural factors, due to their diversity, amplify misunderstanding.

Further complexity follows from the proposition that even a correctly transmitted message is not yet knowledge (De Long and Fahey, 2000). What is diffused in the form of texts, lecture materials, educational programmes, case studies, etc. is information: a commodity that can be codified, stored and transmitted. This "captured" information is tangible, but knowledge has aspects that cannot be articulated, abstracted, codified, captured and stored because they are indivisible from the personality of the individual who is the bearer of the knowledge (Polanyi, 1967; Leonard and Sensiper, 1998). These elements of knowledge, according to Nonaka (1991), consist of mental models, beliefs and perspectives so ingrained that we take them for granted and cannot easily articulate them. It is clear that "tacit" knowledge has social and cultural origins: it is not an inherent property of the human being, but a product of our social experience, education and other similar causes. The common field of experience therefore is important not only in order to preserve the meaning of communications that occur in the course of international knowledge transfer but also to ensure that knowledge is acquired in its totality.

This task puts the pressure on one particular link in the educational chain – the tutor, the person who guides the studies of groups of students and as a result has to perform a variety of demanding functions that effectively erase the demarcation line between the transfer of knowledge and creation of new knowledge (Bresman *et al.*, 1999). As a communicator, she is responsible for setting up a decoding framework for the students. As an academic she has to create a cognitive environment that would allow audience to transform information into knowledge. She has to do this relying on
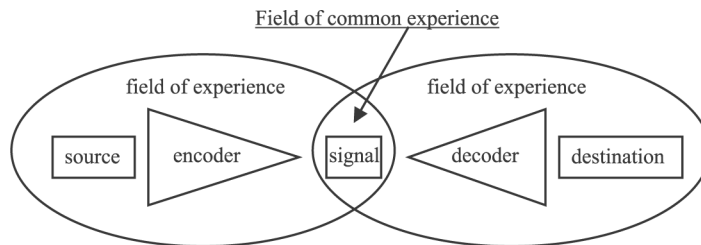

Figure 1.
Schramm's model of communication

texts and methods originally developed within a very different set of historical, intellectual and social references. Therefore, the effectiveness of the existing procedures of knowledge transfer between West and the Newly Independent States very much hinge on the performance of this key group of players. Their attitude and dexterity, however, cannot be taken for granted. The subject matter, business knowledge, only adds to the pressure, being an elaborate web of interconnected concepts that are unlikely to be comprehended independently of one another or out of context.

Hypothesis

The hypothesis put forward here is that performance of indigenous tutors as mediators in the process of international knowledge transfer is related to how "comfortable" they are with the message that they transmit. A number of arguments can be put forward to support this contention. In the former communist countries, in which own experience of market economy was lacking, knowledge transfer was seen as a means to replicate expertise available in countries with advanced market economies. The task therefore has been to reproduce as accurately as possible the knowledge base available in the West. For indigenous educators in the recipient countries this task has translated into a number of functional issues. The most important one, obviously, is that they have to comprehend the message (a piece of expert knowledge in this case) in its entirety, i.e. to be able to position it within its proper context, before they pass it on to their students. This already is a challenge because decoding the message is subject to all the constraints and impediments discussed earlier. However, our conceptual framework suggests that this is just the beginning. From the point of view of the communication theory, as a medium, the transmitter of messages ideally should be neutral towards their content, focusing on guaranteeing the accuracy of relay from the sender to the receiver. Within the co-ordinates of the knowledge transfer concept, though, the teacher is expected to provide those elements of social experience that turn information into knowledge.

In reality these requirements make less of a contradiction than may appear at the first glance. Both stress the importance of social experience and cultural factors because the accuracy of message in terms of human interaction is not the same as the accuracy of signal exchange between the machines. In fact, if we expect the tutor to preserve intact the complex associative meaning of the original concept-message, when introducing it in an intellectually alien environment in the course of knowledge transfer, impartiality would be a disadvantage. To accomplish her task, the tutor needs passion and drive that comes with conviction. Without the backing provided by inspired interpretation that puts imported concepts in the context of local realities business knowledge transfer is more a formality than a powerful tool of changing existing practices (Figure 2).

Hence, the effectiveness of knowledge transfer depends on the tutor's willingness and ability to pick and process a message, make the message her own. According to social judgment theory and the concept of intuitive choice, these abilities are at their greatest if the message meets some general parameters that put it within the domain of the personal reference point of the receiver (Sherif *et al.*, 1965; Tversky and Kahneman, 1986), in other words, if the tutor is comfortable with the message. Some of these parameters are readily identifiable: relevance, accessibility, apparentness, previous
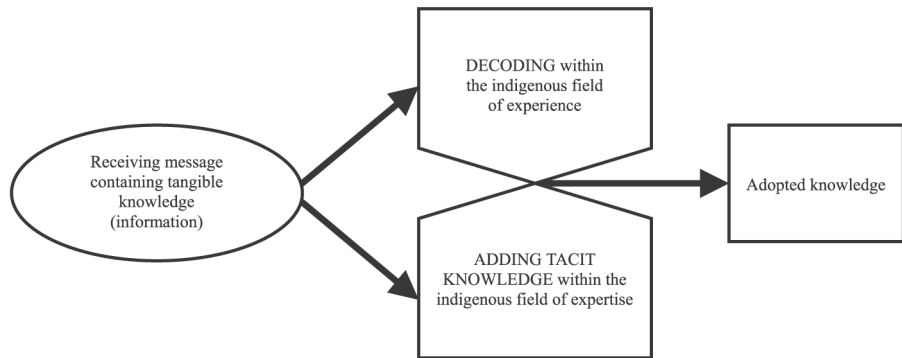
Figure 2.
Importing knowledge: the role of the tutor

experience, and estimated value or usefulness. With this in mind it becomes possible to investigate the actual readiness and suitability of tutors involved in business knowledge transfer in the former Soviet Union.

The present study

This study seeks to establish in the categories of the communication and knowledge transfer framework the profile of the university faculty, teaching business related subjects in one of the newly independent states, the Republic of Belarus, a country of ten million people positioned in Eastern Europe between Poland on the West and Russia on the East. It has a developed university sector with the student population of almost 300,000 spread between 42 state and 15 private universities and colleges of higher education. Business and legal studies have seen dramatic growth in student numbers: in Belarus universities offer students specialisation in 260 subject areas, but 25 per cent choose economics and business degrees.

What makes the choice of Belarus representative is that since the collapse of communism higher education in the country has been exposed to forces similar to those at work in most newly independent states (see Tomusk, 2004 for details on higher education developments in transition countries). On the one hand, it is still very much affected by the heritage of the Soviet educational system; on the other hand, it has gone a long way in adapting to the pressures of market transition. This resulted in a noticeable duality of features. The state still plays a prominent role in many aspects of education. The Ministry of Education has considerable influence on student recruitment regulations, standards of teaching, the curriculum, awarding of qualifications, faculty hiring procedures, postgraduate and doctoral studies, licensing and certification of higher education institutions and educational programmes. At the same time higher education management has made noticeable strides towards democratisation. There is more academic freedom, elected bodies have started to replace appointed structures; universities generally have greater control over the curriculum. In response to economic realities, putting emphasis on pragmatism, free spirit and social and entrepreneurial skills, students are encouraged to develop critical thinking, independence and readiness to assume responsibility. Despite this, many traditional descriptive (static) methods of education remain in force, aiming at "feeding" learning material to students.

Our findings are based on three sources: the extensive analysis of the academic literature; the results of a detailed survey and interviews and personal observations and impressions gained during almost ten years of participation in technical assistance programmes for Belarus universities financed by the British Council. The bulk of original primary data comes from a large-scale survey of university faculty in Belarus. The relatively small size of the university sector has made it possible to involve in the survey all full time academic staff of all economic faculties and faculties of business and management of the state universities in the country. The pilot survey and a round of interviews took place in August 2002, and the main survey and follow-up interviews were conducted in April-May 2003. For the main survey we applied the "snowball" sampling technique (Gorard, 2001): we first approached a "convenience sample" made of the heads of departments in targeted universities and relied on their support in distributing the questionnaire among the members of their departments. The distribution of 628 questionnaires brought back 269 valid responses, securing the response rate of 43 per cent, which is a good result for such type of survey (Kervin, 1992). The questionnaire included 26 questions split into four sections: general information about the faculty; use of foreign literature and other sources; involvement in the process of international knowledge transfer; perceived barriers to international knowledge transfer. The questionnaire was a combination of closed and scale questions designed to reveal the attitude, characteristics and role of the academic staff involved in knowledge transfer.

Analysis and results

The survey revealed two major factors influencing the content of the course materials by Belarus tutors: information coming from the West, mostly in the form of translated and original texts as a source of knowledge and educational materials, and the pressure to react to changes in the actual business conditions in the country. Because social judgement theory implies that the commitment by tutors to imported knowledge would depend on its significance in the context of local conditions, questions were asked regarding the applicability and appropriateness of imported knowledge. The feedback gives some reason for concern as 28 per cent of respondents believed that findings by Western theory were not relevant to Belarus, whilst another 33 per cent gave this statement some support. It may seem that this outcome adds to the picture drawn by those authors who stress the uniqueness of circumstances in transition economies. There are reasons, however, to go beyond this first impression. It must be kept in mind that the relevance in question does not have absolute, or objective, value. Instead educators as individuals enjoy some discretion in assigning such value, making it perceived or individualised relevance (Dunning and Hayes, 1996; Kobrynowicz and Biernat, 1997). In other words, perception about the validity of knowledge will be affected by a number of factors, of which the content of knowledge is just one. This made it necessary to look, within the scope of our study, at two key aspects of perceived relevance. One was the tutor's awareness and understanding of imported concepts. The other was the tutor's awareness and understanding of the local reality and its demands.

We split our respondents into groups according to their own educational background on the assumption that perception and attitudes of the tutors who graduated in the heyday of the Soviet period may be different from those who finished

their studies in the post-communist years. In fact, we selected three groups: tutors who were educated in the most orthodox manner (pre-1989 graduates); tutors whose education was affected by Gorbachev's reforms (1990-1998 graduates) and tutors who studied under new programmes developed in the post-communist environment (1999-2003 graduates). Half of the respondents completed their higher education, including postgraduate degrees, after the beginning of Gorbachev's reforms. These people appear to be well equipped to get involved in cross-border knowledge transfer: the majority report proficiency in English (Table I); through technical aid programmes and scholars exchange initiatives made available by Western agencies quite a few of them were able to gain first hand experience of Western educational principles and course content. It cannot be ignored, however, that about 40 per cent of respondents received education in 1970s and 1980s and were heavily indoctrinated in views on management and economics, which were quite different from modern mainstream business concepts. The current leaders in their profession, all professors and the majority of senior teaching staff, belong to this category. Yet the survey demonstrates a very open-minded and positive attitude to Western ideas by this group as well, as only 10 per cent of respondents revealed any sort of resistance or contempt to imported knowledge.

These results indicate that the business and management faculty in Belarus possess many qualities that should allow them to appreciate the value of imported concepts. However, there are other findings indicating that the "awareness factor" may be, in fact, quite weak. The comprehension of sophisticated concepts relies upon ability to put tangible information into a contextual framework, of which it was originally a part. With respect to imported knowledge in management and business this calls on indigenous educators to make an effort and immerse themselves into as much information exchange with peers worldwide as possible through reading regularly international scholarly and professional literature, maintaining direct contacts with foreign colleagues and enjoying the freedom of the internet. According to the survey, this does not happen on any substantial scale. Although 54 per cent of respondents have good knowledge of foreign languages (English, German, French), only about 20 per cent use original sources regularly in preparation for their lectures and seminars. Only a meagre 7.5 per cent of respondents were able to turn to their foreign colleagues for advice as and when needs arose, when studying unfamiliar concepts. As regards the Internet, only 22 per cent of tutors were satisfied with the access that they had to the worldwide web. Not surprisingly, large numbers of respondents with the

Year of graduation		Low	Medium	High	Total
			Levels of proficiency		
Before 1989	Count	9.0	46.0	23.0	78.0
	% of total	4.6	23.6	11.8	40.0
1990-1998	Count	3.0	50.0	22.0	75.0
	% of total	1.5	25.6	11.3	38.5
1999-2003	Count	3.0	11.0	28.0	42.0
	% of total	1.5	5.6	14.4	21.5
Total		15.0	107.0	73.0	195.0
	% of total	7.7	54.9	37.4	100.0

Table I.
English language proficiency of the university faculty

knowledge of foreign languages reported difficulties with understanding foreign business texts because of the terms and the particular style used, and lacunas in own professional education (Table II).

More than 50 per cent of respondents relied entirely on translated sources. This, however, did not remove all the semantic barriers as could have been expected. Up to 40 per cent were not comfortable with the overall style and/or translation of some professional terms. In general only a third of respondents expressed satisfaction with the quality of translated materials. During follow-up interviews Belarus academics provided numerous examples of standard terms used in the Western professional literature (like controlling, leasing, outsourcing, recruiting) that had no equivalents in Russian. In Russian editions, therefore, they were either transliterated or replaced with terms that interpreters believed could have the same meaning, sometimes resulting in a confusing variety of expressions.

A group of questions in the survey was designed to shed light on tutor's awareness and understanding of the local business reality and its demands. The results obtained revealed that 30 per cent of tutors had no work experience other than within the university sector, whilst 27.5 per cent worked for firms in the private sector and 42.4 per cent worked in state owned firms. Considering that the current legislation in Belarus make it difficult for individuals to take two jobs in the state sector, of which universities are a part, it is appropriate to conclude that a significant number of those academics who quoted work experience with state owned firms gained it in the period before the market reforms started. Correlation analysis established that only a minority of faculty teaching business and economics combined first hand experience of the ongoing developments in the business environment in the country with linguistic tools necessary to be abreast with modern business literature (Table III).

Importantly, the survey revealed that Belarus tutors were not too keen on local academic publications as sources of knowledge about the national economy: 80 per cent of respondents did not think that research by Belarus authors had enough impact to cause alterations in their lecture programmes. At the same time 73 per cent of respondents indicated that they regularly changed the content of their lectures because of the willingness to present the latest tendencies in the national economy. There were some other telling inconsistencies in the way tutors formed their perceptions that the survey exposed. Thus, two-thirds of respondents reported making regular changes to

Responses to the question "When you work with original literature do you understand style/terminology?"		Before 1989	Year of graduation 1990-1998	1999-2003	Total
Disagree	Count (style/terminology)	43/45	42/40	17/22	102/107
	% of total	19.9/20.9	19.4/18.6	7.9/10.2	47.2/49.8
Not sure	Count (style/terminology)	15/19	29/33	20/12	64/64
	% of total	6.9/8.8	13.4/15.3	9.3/5.6	29.6/29.8
Agree	Count (style/ terminology)	31/23	11/10	8/11	50/44
	% of total	14.4/10.7	5.1/4.7	3.7/5.1	23.1/20.5
Total	Count (style/terminology)	89/87	82/83	45/45	216/215
	% of total	41.2/40.5	38.0/36.6	20.8/20.9	100.0

Table II.
Understanding
style/terminology of
Western literature by
university faculty

Variables	1	2	3	4	5	6	7	8
1. Year finished university	1							
2. Experience outside university (state sector)	0.292(**)	1						
	0.000							
3. Experience outside university (private sector)	−0.100	−0.158(**)	1					
	0.101	0.010						
4. Using original Western European journals	−0.117	0.050	0.084	1				
	0.054	0.417	0.168					
5. Using original US journals	−0.048	0.077	0.172(**)	0.486(**)	1			
	0.433	0.207	0.005	0.000				
6. Do not understand originals' terminology[a]	0.005	0.060	0.085	0.137(*)	0.162(*)	1		
	0.943	0.378	0.216	0.045	0.017			
7. English language proficiency[b]	0.259(**)	0.054	−0.269(**)	−0.316(**)	−0.287(**)	−0.207(**)	1	
	0.000	0.452	0.000	0.000	0.000	0.008		
8. Do not understand style of Western originals[c]	−0.057	0.036	0.110	0.104	0.218(**)	0.636(**)	−0.220(**)	1
	0.402	0.598	0.107	0.129	0.001	0.000	0.005	

Notes: * Correlation is significant at the 0.05 level (two-tailed); ** Correlation is significant at the 0.01 level (two-tailed). [a]Number of observations 215; [b]Number of observations 195; [c]Number of observations 216

the curriculum in order to accommodate the latest theoretical accomplishment in their subject area while, when answering a different question, only a third mentioned theoretical literature in their area as a stimulus to change their lecture materials.

The apparent discrepancy in feedback, as described above, brings to light some important characteristics of the state of business and management education in the country. First, there is obvious deficiency of authoritative indigenous research. The academic faculty are inclined to ignore this normally important resource of analytical insight in local business issues. This raises the question regarding the validity of the sources of the prevailing perception of "economic realities" and related demands on business and management training. Interviews with staff revealed the disproportionate role of the mass media as the source of professional information. Other rather unconventional sources were mentioned, including conversations with students who had work experience. The department of management in one of the universities reported organising a survey of local firms with the aim to find out what the business community actually thought should be included in the course of study. However, examples of such a proactive stance appear to be rare.

Second, there is an intriguing discrepancy between the reported very big impact of modern foreign research on the content of business courses and the revealed rather low level of exposure to original up-to-date Western sources. We are inclined to interpret this as a sign of a particular stage in the professional growth of the faculty involved in knowledge transfer. What we witness is the situation in which tutors, motivated by the desire to accommodate foreign knowledge, are making continuous changes to their courses that are out of proportion to the available "new" or incremental knowledge. In other words, a certain, probably considerable, share of changes may be attributed to the tutors having achieved a better, more profound understanding of concepts that have been in circulation for some time. Some indirect evidence for this conclusion can be found in those survey results that demonstrate that in the case of almost 40 per cent of tutors the publication of new editions/translations of established text-books cause a round of revisions in their teaching modules.

Conclusions

The analysis of the educational sector in Belarus brings to light a mixed picture. There is a considerable potential for achieving a high level of efficiency in respect of knowledge transfer from the West. There is also a pronounced commitment and effort on the part of the academic community to attain this level. At the same time our results indicate the presence of serious communicational difficulties. The weakest link is obviously that stage of the communication process at which information and data are decoded and undergo transformation into knowledge. The problem appears to be in the continuous disagreement in the social experience, drawing our attention to the numerous shared socio-cultural factors that are necessary for successful communication to take place. If the message in the centre of knowledge transfer is to maintain its authenticity and significance, the context should play as important a role as the message itself.

Clearly, the communicational conflict described above is not unique to Belarus or the newly independent states. To a varying degree it is likely to be present in any act of international knowledge transfer. However, the recipients in Belarus appear to be particularly disadvantaged due to a combination of factors routed in linguistics,

culture, training and ambience. What exacerbates the situation is the noticeable sense of isolation that is seeping through the feedback that was received in the course of the study. This is not just the detachment from colleagues around the world; it is also some disengagement with the economic realities of their own milieu that the respondents have revealed, disengagement in professional terms and not personal terms of course. It may well be, though, that this last observation is more a comment on the specific socio-political situation in Belarus. In this country there is far more government control and far less transparency and public involvement than in Russia, for example. At the same time it cannot be ignored that in relation to the socio-political set-up quite a few newly independent states have more similarities with Belarus than with Russia, which has made a significant stride towards liberalism.

The issue of the context therefore establishes itself very strongly as an outcome of our study. The apparent solution is in intensifying the knowledge transfer even further while increasing its interactive component. It is not only about creating a critical mass of readily available Western sources but also, and possibly more importantly, about providing channels for direct communication between educators in the newly independent states and the West. This route was suggested by the majority of respondents to our survey; it also follows from the nature of the communicational process as described by relevant theories. Yet it is unlikely that such channels will become available on the required scale soon enough. The main reason is the situation with funding. Resources within the transition countries are limited, whilst the support to knowledge transfer to the former socialist countries on the part of international organisations and Western governments peaked in the mid 1990s and is subsiding. This trend must be reversed. Although the foundations of a modern system of business education in the NIS have been successfully established, the continuation of Western support is critical for improving the quality and efficiency of management knowledge transfer.

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Essential competencies for cross-cultural knowledge absorption

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Abstract

Purpose – To describe the competencies necessary for managers to effectively engage in cross-cultural knowledge absorption.

Design/methodology/approach – A comprehensive literature review of knowledge management and cross-cultural competency research which identifies seven thematic competencies for knowledge absorption.

Findings – The study identifies and provides examples of seven cross-cultural knowledge absorption abilities: valuing different cultures, building relationships, listening and observing, coping with ambiguity, managing others, translating complex ideas, and taking action.

Research limitations/implications – The research relies on a single theory of learning and integrates research into a single set of assumptions. The research has not been tested empirically.

Practical implications – The paper provides a model to guide managers and others in organizations through successful knowledge transfer and absorption efforts including training, development, selection and project planning.

Originality/value – The paper integrates diverse and extensive literature on knowledge absorption into a single framework based on how managers learn from experience and suggests competencies for managing absorption efforts.

Keywords Experiential learning, Management skills, Workplace learning, Knowledge transfer

Paper type General review

Effective knowledge absorption rests in the ability of individuals to generate, gather, organize and apply new knowledge. These abilities, or competencies, result from a person's ability to develop relationships and translate ideas across boundaries. Effective knowledge absorption across diverse national and ethnic cultures proves to be an important aspect of management innovation and success as organizations become increasingly international in their reach.

In this article, we draw on a model of cross-cultural competencies (Yamazaki and Kayes, 2004) to identify the seven competencies for successful knowledge absorption across cultures. We suggest, consistent with information processing approaches to knowledge absorption (Cohen and Levinthal, 1990), that knowledge absorption is a process of learning from experience. We extend this thinking to understand knowledge absorption as an interpersonal process of developing and managing relationships that lead to knowledge absorption.

Our primary goal is to identify abilities that will aid individuals in effectively absorbing knowledge and translating that learning to improve organizational knowledge absorption efforts. We suggest that cross-cultural knowledge absorption requires valuing individual and cultural differences. We emphasize the role of language in the knowledge absorption process. Implications are drawn for training, development, evaluation and planning knowledge absorption efforts.

Knowledge absorption

In this section, we explain our basic theoretical assumptions about the knowledge absorption process in the context of extant literature on knowledge absorption. We detail our approach, which is based on experiential learning theory (Kayes, 2002; Kolb, 1984), and contrast this with the information processing approach (Lindsay and Norman, 1977).

Knowledge absorption as information processing

We understand knowledge absorption to be the capacity to gather and process knowledge external to the organization (Cohen and Levinthal, 1990). Cohen and Levinthal (1990) suggest that an organization's "prior related knowledge" provides the foundation for recognizing, acquiring and applying new knowledge. Absorption capacity relies heavily on an organization's investment in research and development, its ability to gain insights from current operations and its ability to gather information from marketing efforts (Cohen and Levinthal, 1990, p. 128).

An organization's capacity for knowledge absorption relies on the ability of its individual members to learn from experience and to apply this knowledge in the context of an organization. Cohen and Levinthal rightfully acknowledge that the ability to learn from experience and, thus, the ability to increase organizational knowledge absorption capacity rests on individual skills. The specific individual skills necessary for increasing knowledge absorption, however, have yet to be described.

The literature on knowledge absorption has conceived of individual learning from the perspective of information processing (e.g. Lindsay and Norman, 1977). This perspective views learning as an objective process where preexisting knowledge structures become represented as corresponding cognitive representations. Successful knowledge absorption is measured by the degree to which these preexisting knowledge structures become accurately represented as cognitive models. In this formulation, structure precedes language, where language acts as a reflection of a preexisting knowledge structure.

We generally agree with this premise that the prior experience of individuals is the key to understanding the organizational knowledge absorption process. However, we base our approach on a different set of assumptions regarding the nature of learning and knowledge. We view knowledge from the view point of experiential learning theory (Kolb, 1984). The next section elaborates on this approach and contrasts it with the information-processing model.

Knowledge absorption: an experiential approach

Experiential learning theory (Kolb, 1984) describes learning as the process of transforming experience into new knowledge. Based on the works of philosopher John Dewey, social-psychologist Kurt Lewin, and others, experiential learning theory

describes learning as a fourfold process beginning with experience. Experience serves as the basis for reflective observation, which in turn leads to abstract conceptualization. Abstract conceptualization serves as the basis for active experimentation, which then leads to another experience, and the process of learning starts again.

The unique aspect of experiential learning lies in the idea that individuals must develop specialized abilities to manage each of the four aspects of learning. For example, managing concrete experience requires interpersonal abilities, managing reflective observation requires perceptual abilities, managing abstract conceptualization requires cognitive abilities and active experimentation requires behavioral abilities. Thus, knowledge absorption as a process of individual learning involves moving through each of these phases in a cyclical fashion, calling on specialized abilities at each phase of the cycle as depicted in Figure 1.

Language and experience
Kayes (2002) and Kayes and Kayes (2003) recently extended experiential learning theory to highlight the role of language. According to Kayes, the structure of language needs to be accounted for when describing experience because language forms the "raw material" of experience. Thus, learning itself can be understood as a process of language acquisition and transformation. This so-called "post-structural" approach to learning suggests that learning from experience is a subjective process of attaching meaning to language and expressing experiences in term of available language. Language acquisition is important to learning because it extends the variability of ways that experiences can be understood. In turn, language is never an exact replication of experience but a means to describe experience with available symbolic tools.

This poststructural experiential learning approach suggests that language creates structure, in contrast to the information-processing model, which suggests that structure precedes language. The distinction is more than just academic because it suggests a fundamentally different approach to knowledge absorption in practice.

The distinction may best be illustrated through the root metaphor (Morgan, 1986) of each approach. The information processing approach conjures images of the individual learner as a computer, where small errors in coding and decoding can result in a faulty absorption. A computer relies on decision rules and a limited set of functions to process knowledge. The experiential approach imagines the individual learner as an artist, using
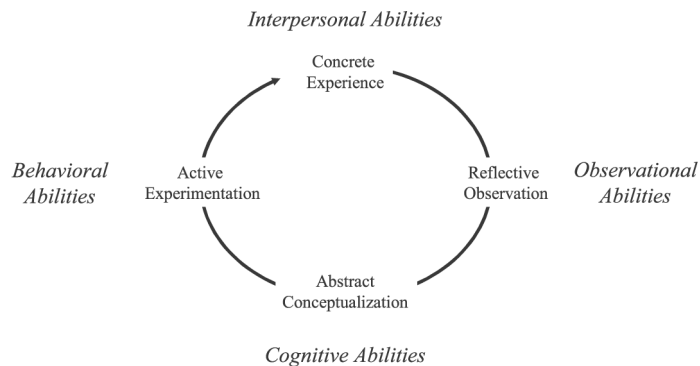

Figure 1.
Experiential learning cycle

the available media (e.g. language) to express experiences in a manner that engages, educates and communicates to others. The experiential image relies on interpretation, emotions and intuitions more than logical decision rules to process knowledge.

From the perspective of experiential learning, knowledge absorption is the process whereby new knowledge is created and absorbed through new experiences. Cross-cultural knowledge absorption results from interactions with others from different cultures that require new understanding and interpretations. Knowledge absorption is seen as primarily a process of learning from experience. Language serves as the basis for such learning. In particular, we view knowledge absorption from an interpersonal perspective, where knowledge is gathered, processed and put into use through interpersonal relationships.

A competency-based model of cross-cultural knowledge absorption

We have noted general differences between the information processing and experiential approaches. We believe that there is general agreement between the two approaches that organizational knowledge absorption is largely a process of learning from individual experience. In this section, we focus attention on the specific individual competencies essential for the knowledge absorption process. We begin with a general overview of what we mean by cross-cultural competencies and provide details on our methodology.

Cross-cultural competencies

"Managerial competencies" is a catch-all term that designates the skills, abilities, knowledge, cognitive processes and communication techniques that allow a manager to be successful at specific tasks (Boyatzis, 1982). While research originally focused on identifying and developing a variety of competencies, now it tends to focus on understanding and managing one's emotions and influencing others (Goleman *et al.*, 2002).

Our position is consistent with this approach:

- It views cross-cultural knowledge absorption as primarily a process of interpersonal understanding. Interpersonal understanding provides the basis for gathering new knowledge (Yamazaki and Kayes, 2002).

- It focuses on the role of language to develop and increase capacity for knowledge absorption (Kayes, 2002).

- It views competencies as learned rather than inherited traits.

We contend that competencies are often organization- or culture-specific but that a general framework of competencies can aid in understanding, managing and developing the knowledge absorption process. For example, universal typologies of leadership (House *et al.*, 2002) and values (Schwartz and Bilsky, 1990) provide valuable starting points for understanding differences in the knowledge absorption process. When understood as general frameworks that can be applied to specific cultural contexts, universal typologies such as the one we present on knowledge absorption competencies provide the first step in gaining a deeper appreciation for the complexities of culture. In turn, a deeper appreciation of these complexities provides the basis for developing skills to navigate the knowledge absorption process.

Cross-cultural knowledge absorption competencies
An experiential learning-based model
Figure 2 depicts a model of cross-cultural knowledge absorption competencies that integrates the research on cross-cultural competencies, experiential learning and knowledge absorption. The model assumes that individual cross-cultural knowledge absorption, as a process of knowledge creation, relies on the manager's ability to manage a diverse and often conflicting set of learning processes. The model depicts knowledge absorption under the dimensions of both process and content. Knowledge processing is depicted horizontally and involves two factors: the degree to which knowledge is either internal or external to the individual. Knowledge content is depicted vertically and depicts the degree to which knowledge is either new or extant.

The model suggests that the cross-cultural knowledge absorption process requires four sets of competencies:

(1) *Generating (new internal knowledge)* involves creating new knowledge by cultivating and remaining open to new experiences to create situations in which knowledge can be obtained. The generating process of knowledge absorption involves three specific competencies: valuing different cultures, building relationships within the host culture.

(2) *Gathering (new internal knowledge)* involves taking account of existing opportunities and identifying existing sources of underutilized knowledge. Gathering may include reconfiguring existing sources of knowledge to fit new circumstances. The gathering process of knowledge absorption involves one specific competencies: listening and observing.

(3) *Organizing (extant internal knowledge)* involves putting existing knowledge into a framework or context so that it can be actionable. The organizing process of knowledge absorption involves two specific competencies: coping with ambiguity and managing others.
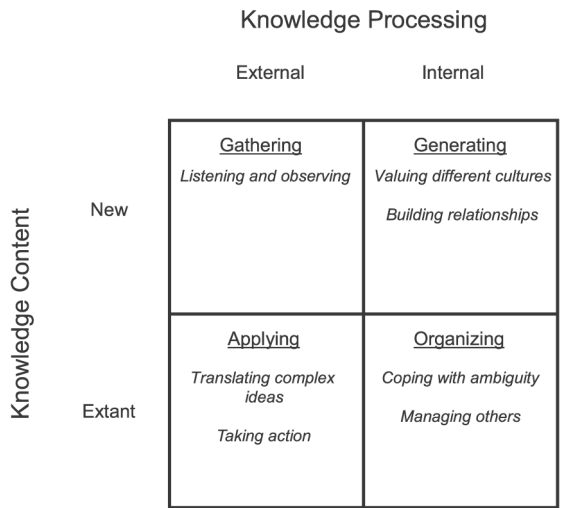

Figure 2.
Cross-cultural knowledge
absorption competencies

(4) *Applying (extant external knowledge)* involves putting knowledge to work to solve problems, create opportunities or generate change. The applying process of knowledge absorption involves two specific competencies: translating complex ideas and taking action.

The combination of each dimension results in a knowledge absorption process along with corresponding competencies. The seven competencies arise from our prior research (Yamazaki and Kayes, 2004) on cross-cultural learning. We conducted an extensive literature review of nearly 100 empirically based research articles to identify competencies related to successful cross-cultural learning in expatriates. This resulted in the identification of over 70 different competencies, which we in turn categorized into seven different clusters based on experiential learning theory. The model depicts a generalized understanding of cross-cultural awareness that can be used to guide specific applications to cultures based on their general value orientation. The seven competencies are detailed in the next section.

Competencies for cross-cultural knowledge absorption

Valuing different cultures. This competency involves understanding the complexities of cultural norms and how they contribute to new knowledge. A number of cultural typologies exist (Schwartz and Bilsky, 1990) to guide an initial understanding of cultural differences. One widely cited typology presented by House *et al.* (2002) suggests that culturally embedded values lie along nine dimensions: uncertainty avoidance, power distance, societal collectivism, in-group collectivism, egalitarianism, assertiveness, future orientation, performance orientation, and human orientation. However, success in the knowledge absorption process requires a more specific application of these general frameworks. In other words, valuing different cultures goes beyond simply knowing the abstract differences between cultures to appreciating how these differences are expressed in day-to-day situations.

One expatriate described how he learned to understand the differences between social and work relations while in Korea. He was surprised and puzzled the first time that his co-workers, members of the South Korean military, were argumentative, hard nosed negotiators who often resorted to anger and resentment in meetings yet became hospitable and charming in the social occasions that followed the work day. It was not enough to simply understand the differences between a collective versus individual culture; he had to learn to appreciate how these differences impacted him on a daily basis.

One technique that helped individuals value another culture was reading novels or stories written by and highly valued in another culture. These writings provided insight into the values of the host culture and provided an opportunity to show interest in the host culture when engaged in conversations with host culture members.

A variety of studies from diverse host and home cultures have shown that valuing different cultures is an important success factor. For example, Cleveland *et al.* (1969) described how showing empathy for a host culture was positively related to successful US expatriate adaptation. Cui and Awa (1992) had similar findings with expatriates from diverse cultures working in China.

Building relationships within the host culture. Successful knowledge absorption requires creating the possibility of creating new knowledge. New knowledge is generated by coming into contact and, thus, creating new experiences with others. This

involves putting a human face on culture. Many expatriates we read about in our research found it easy to isolate themselves from the host culture. This seemed especially true for expatriates from the US and Britain. Living in western hotels or expatriate communities provided a sense of comfort and familiarity in a host culture. Yet, it was the relationships with individuals from the local cultures that seemed to provide the most opportunities for learning and thus knowledge absorption.

One expatriate we interviewed for our research explained the importance of relationships for knowledge absorption. She stated that if you didn't create relationships overseas, you couldn't get the information you needed. She continued that it was important to build positive relationships and get people on your side.

Often, the network of relationships emerged from within the organization, but acquiring other types of information required going outside the organization. Either way, it seemed imperative to get a guide from inside the host culture. The internal host contact was someone who was skillful at understanding the host culture and knew how to get things done.

Building relationships often resulted in misunderstandings, as one expatriate quickly found. The expatriate was conversing with a member of small South American country. The local expressed a keen knowledge of his area's local and national politics. When the expatriate suggested that he go into politics, she was quickly met with a scowl; she hadn't realized that politicians were viewed unfavorably in the host country. In response, the expatriate quickly apologized and began to explain the differences in how politicians were perceived in her country, the US, versus the South American country.

Several studies have shown that building relationships with local cultures is an important attribute for success for a variety of expatriate cultures (see Thomson and English, 1964; Hawes and Kealey, 1979).

Listening and observing. Absorbing knowledge across cultures requires individuals to carefully observe the host culture and its local practices and to understand the rationale behind the practices. Listening and observing require patience in the face of pressing demands. One manager we interviewed for our research worked in many different cultures over his 20 years of expatriate experience. He explained that to gain the respect of those he managed, he would simply observe the current environment. During the first few weeks of an overseas assignment, his job was to learn the management culture. This manager had difficulty pronouncing the names of locals because the names were not based on his language. Rather than mispronounce names, the manager learned how to pronounce names after several weeks. It was a good thing as well, since during the initial period of intense observation he learned that the language was a strong source of national pride.

One element that emerged from the literature as well as our interviews was that recognizing and understanding nonverbal cues was key to successful cross-cultural knowledge absorption. Watching how people interact, the closeness of their physical distance, the expressions on their faces and the manner in which they engage can provide clues. Looking for nonverbal cues was less important in formal meetings because the structure of interaction was almost always predetermined, and one simply had to follow along like a well-prepared script. Unstructured social events provide both a source of frustration and an opportunity for absorbing new knowledge. Listening and observation competencies were among those most likely to be important in cross-cultural knowledge efforts according to Yamazaki and Kayes (2004).

Coping with ambiguity. One official at the US Department of State responsible for diplomatic relationships with other governments explained how ambiguity was part of the job. State Department officials typically spend two to three years in an overseas assignment. Speaking of the ability to cope, this official stated that successful officials demonstrate a comfort with ambiguity. It's as if they don't even experience or recognize the ambiguity. They don't see problems as ambiguous; they usually just see them as new. In fact, what some people see as ambiguity, State Department officials see as stimulating according to this official. The official added that these people don't really think outside the box because they don't see the box to begin with. It appears that people who thrive on new experiences don't interpret situations as a problem but as a challenge.

A variety of studies conducted over a quarter of a century with US Peace Corps volunteers working abroad has shown that workers who were able to cope with ambiguity were among the most successful (e.g. Hautaloma and Kaman, 1975).

Translating complex ideas. Translating complex ideas is central to the knowledge absorption process. Translation relies on a grasp and command of the local language and its meaning. The degree of proficiency required to effectively absorb knowledge remains in question; however, it is clear that without an in-depth knowledge of the host language, deep absorption of knowledge is not likely. Those who lack an in-depth language capability must rely on translators to interpret conversations, and that limits the quality of the relationships formed. As one expatriate we interviewed concluded, you can be successful without the language, but it is hard to develop deep relationships if you rely on someone to interpret for you.

Research confirms that learning the host country language is important for improving knowledge absorption (e.g. Dunbar, 1992). However, language is important because it allows meaningful relationships to be developed, as Dean and Popp (1990) showed in a study of French expatriates working in the USA.

Taking action. Taking action emerged as a success factor in our review of the research and showed up in a particular way in the interviews we conducted. For example, one person we interviewed commented on action during a crisis: "How you perform in a crisis will determine your success. People want to know you can act and cope in a crisis, and everyone must know that you will act for the group and not just yourself."

Kealey (1989), for example, found that a group of Canadian technical advisors working in Asia, Africa, Latin America and the Caribbean were likely to demonstrate an action orientation to their jobs.

Managing others. This competency involves internally and externally managing the host people and other expatriates in organizations. The internal management skill serves to resolve conflicts between local employees and expatriates and to maintain close relationships between them. One experienced Japanese expatriate who was assigned as the president of a Japanese subsidiary in the USA revealed in our interview that he acted as a moderator to alleviate tensions between the Japanese expatriates and the American managers in his firm. This skill is indeed related to successful performance of expatriates in foreign subsidiaries where the host culture differs greatly from the home one. Black and Porter (1991, p. 105), for example, found that American managers in Hong Kong were more successful if they showed more integrated behavior (e.g. "maintaining a closely knit organization").

The ability to manage skills internal to the organization was important. The ability to manage concerns across cross-cultural boundaries was also important. For example, individuals needed to effectively managing external linkages between an overseas subsidiary and the headquarters office. This skill involves resolving conflicts and establishing good relationships between them. Expatriates are required to properly balance local responsiveness to subsidiaries' needs and global integration stemming from headquarters' demands. One Japanese middle manger who worked for a Japanese manufacturer in the USA told us that he first needed to see overall pictures of the headquarters' request and his subsidiary's capacity and reaction to it and then had to act as a crucial interface through which to adjust their mutual needs towards levels acceptable to both. Several researchers such as Cleveland *et al.* (1969) and Black *et al.* (1999) reported the importance of this competency for expatriates to succeed in overseas assignments.

Implications for cross-cultural knowledge absorption research and practice

The model presented here provides the basis to direct several aspects of the knowledge absorption process including training and assessment, monitoring the success of knowledge absorption processes, and planning knowledge absorption efforts. The model may be extended to assist in general training in cross-cultural values and other long-term coaching and developmental efforts. We begin by reviewing the implications of these competencies for understanding values.

Values as determinants of behavior

Since it is based on learning and individual experience, knowledge absorption is related to individual values. Values determine how we evaluate behavior and what we deem appropriate. Thus, we contend that competencies must be consistent with the values of a culture. The implication is that application of the competencies will, in a large part, be a factor of the specific culture in which the competencies are demonstrated and the nature of the knowledge being absorbed.

A study of Japanese managers working in the US serves as an example. The study monitored different cohorts of Japanese managers and showed that, over time, the managers moved from a primary emphasis on generating competencies to an emphasis on action taking and organizing competencies. The movement was expected, as Japanese culture emphasizes primarily concrete or interpersonal competencies embedded in building relationships while US culture emphasizes competencies related to abstract concepts and ideals. Thus, to adapt, these Japanese managers were required to develop competencies related to translating and coping. This example shows how the development of cross-cultural competencies must always be considered within a specific host environment (Yamazaki, 2004).

Training and education

This model can be applied to predeparture cross-cultural training. Studies report that training programs for expatriates have varied effectiveness. Despite a host of studies looking at selection and retention of potential executives for overseas assignments (Spreitzer *et al.*, 1997), little work has been done to understand the implication of training on cross-cultural knowledge absorption.

One area for further understanding is the content of the materials presented in predeparture training. For instance, providing an overview of company policies and procedures would not be sufficient for expatriates, nor would a focus just on the technical skills needed to accomplish a job. These technical skills might include the use of a particular software program or an understanding of the host country's labor rates used in calculations for an assembly line process. Beyond these things, it seems that effective cross-cultural knowledge absorption efforts require a focus on development of learning competencies prior to departure.

A variety of educational interventions may help expatriates' knowledge absorption. Classroom training and predeparture technology training are both popular methods of cross-cultural training that can be adapted to knowledge based content. This technology-based training could encompass videotapes, on-line self-paced tutorials or a series of web-based informational resources on customs and business practices. An important consideration when selecting an educational method is how it fosters the essential cross-cultural learning competencies detailed in this study. While a videotape or website may best be suited for communicating policies and procedures, an executive coach, an interactive workshop, or a series of self-assessments and feedback may be more appropriate for developing competencies.

Planning
In the area of planning, this model has applications related to repatriation, communication networks, and selection for overseas assignments.

First, "re-entry," or repatriation, has been highlighted by studies as one of the most significant costs to an organization. Estimated costs for failed repatriation efforts are between $250,000 and $500,000 per assignment (Mervosh and McClenahan, 1997). Failure to repatriate can stem from something quite simple, such as an expatriate's loss of visibility in the organization throughout the overseas assignment. The failure may also stem from the lack of organizational value placed on the new set of cross-cultural skills that the employee developed. Organizations can also unknowingly support the failure through general lack of planning, such as placing expatriates back in the appropriate position when they return to their organization.

Communication networks provide another critical step in planning for competency building and knowledge absorption efforts. The growing trend to provide coaching and mentoring may be a good place to start the expatriation and repatriation process. Formal planning for these mentors is important to the success of the expatriate both domestically and abroad. Domestically, mentors assist expatriates in transferring their knowledge back to the home culture upon return. This is a longer-term effort that gets at the very goal of knowledge absorption efforts. Mentorship in the new host country is equally important. Identifying and providing a person who can function as the formal catalyst for knowledge absorption increases the likelihood that expatriates learn from the host culture and transition successfully.

Third, while many organizations have formal selection processes, recent research suggests that most organizations do not have a planned selection process for expatriate assignments and continue to select expatriates on an ad hoc basis (Boles, 1997; Mervosh and McClenahan, 1997). Understanding what competencies are critical for

expatriate success provides a benchmark of the knowledge, skills and abilities that should be considered in addition to technical skills when recruiting internally for expatriates to join a host culture.

This paper has identified seven competencies related to cross-cultural knowledge absorption from extant literature on expatriate adaptation. Experiential learning theory provides a useful and comprehensive model to organize these competencies. We suggest that cross-cultural knowledge absorption is primarily a process of learning from individual experience and translating that experience into organizational knowledge. Organizations that support these competencies, through training and development efforts, are more likely to realize the benefits of cross-cultural knowledge absorption efforts. Further, organizations that consider these competencies in the selection, evaluation and repatriation efforts of managers are more likely to produce successful knowledge absorption efforts.

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Forms of host-country national learning for enhanced MNC absorptive capacity

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Abstract

Purpose – Aims to examine within the theoretical construct of absorptive capacity several forms of host country national (HCN) learning, leading to improved productivity in the foreign operation, and ultimately yielding more effective knowledge generation and flow throughout the multinational corporation (MNC).

Design/methodology/approach – Used open-ended exploratory field interviews with 51 host country human resource and middle managers in 49 different MNC foreign subsidiaries with headquarters in six different countries. Learning needs in three major employee levels of operative, supervisory/middle management, and upper management were examined. Notes from the interviews were recorded by hand and combined and analyzed for evidence of potentially beneficial forms of HCN learning using procedures of domain and theme analysis in taxonomy development.

Findings – A total of 12 categories of potentially beneficial forms of HCN learning were identified and discussed relative to their contributions to increased absorptive capacity. These forms of learning included such areas as new employee orientation and entry job skills, MNC predominant language, MNC home country cross-cultural awareness, supervision and technical operations management skills, expatriate coaching and liaison skills, and MNC strategy and culture.

Research limitations/implications – Provides helpful insights on absorptive capacity to promote further theory development, as well as practical guidance for future HCN training to enhance the effective transfer of management knowledge and practice.

Originality/value – Past research in international management has had a predominant focus on expatriates, failing to identify important contributions that can be made by host country nationals to promote the effective transfer of knowledge throughout the multinational organization.

Keywords Multinational companies, Training, Knowledge sharing, Expatriates

Paper type Research paper

Introduction

With the continuing growth and expansion of international operations abroad incident to globalization, multinational corporations (MNCs) and the prevailing management literature tend to focus primarily on the role played by MNC home country expatriates in achieving foreign operation success, at the stark neglect of host country nationals (HCNs), especially foreign employees being managed at host country operations (Toh and DeNisi, 2003; Aycan and Kanungo, 1997). In particular, a great emphasis has been placed on effective selection and training methods for optimizing the success of expatriate managers, while often neglecting the knowledge, skill, and attitude (KSA) development needs of the rest of the international workforce in contributing to international business success (Suutari, 2002a; Vance and Ring, 1994). This neglect is likely at least partly fed by continual nationalistic warnings against disseminating competitive knowledge abroad for fear of losing knowledge domination and power at

home (Krim, 2003; Teresko, 2003). However, detractors and critics of globalization and neoliberalism often forcefully condemn this continuing ethical disparity in the treatment of our global human resources (Schaeffer-Duffy, 2004; Osland, 2003). This predominant focus of international management research upon the MNC home country expatriate may also reflect an ethnocentric bias, and obstructs a truly global orientation that is purportedly sought (Vance and Paderon, 1993). Moreover, there is an increasing recognition of the importance of knowledge acquisition and management for MNC success. This growing field of thought asserts that competitive advantage is to be gained by organizations that widely distribute knowledge and skills throughout their internal units and to all employees, rather than entrusting knowledge to only a relatively few leaders and subject matter experts (Takeuchi and Nonaka, 2004; Dixon, 2000; Nonaka and Takeuchi, 1995).

Expatriates traditionally have been sent abroad for multiple purposes, such as for providing direct supervisory control of international operations, management development, and organizational development (Edstrom and Galbraith, 1977). However, there has been a dramatic change in perceptions of the role of the expatriate in the international assignment as we increasingly become a global information economy where knowledge management is crucial (Doz *et al.*, 2001; Drucker, 2001; Thurow, 2000). As a testimony to this trend, recent extensive empirical and case studies have found that at both subsidiary and headquarters levels knowledge transfer is seen as the most important reason for expatriation, while direct expatriate control is seen as of lesser importance (Hocking *et al.*, 2004; Harzing, 2001). Through international assignments, expatriate managers can not only apply and transfer extant knowledge from the headquarters to the foreign subsidiary, but also acquire new knowledge and know-how from the foreign subsidiary that can ultimately be transferred back to the parent company and throughout its global operations (Riusala and Suutari, 2004; Dunning, 2003; Downes and Thomas, 2000, 1999).

However, the general body of theoretical and empirical research in MNC knowledge management renders the impression that the expatriate in his or her liaison role between foreign operation and headquarters is the only relevant player, as if the host country workforce were not worthy of our careful consideration in the total picture of MNC knowledge management. On the contrary, we believe that MNCs that neglect attention to the host country workforce (who consider the foreign location to be very familiar since it is "home" to them), and maintain an excessive dependence upon expatriates for foreign market knowledge generation and transfer back to headquarters, may greatly limit their knowledge management potential. In addition, with this expatriate focus, their ability to manage knowledge and information flows for MNC viability may be severely reduced when, according to observed patterns, the number of MNC home country expatriate personnel utilized is gradually diminished with increased MNC internationalization (Downes and Thomas, 2002).

The purpose of the present study was not to disparage or discourage the involvement of expatriates in the overall global knowledge management effort. Rather, this research attempts to broaden our conceptualization of MNC knowledge management to include active involvement of HCNs. In particular, within the theoretical construct of absorptive capacity, we utilized exploratory field research to identify forms of HCN learning that can lead to improved productivity in the foreign operation, and ultimately yield more effective knowledge generation and flow

throughout the MCN. This field analysis and resulting prescriptive model of forms of productive HCN learning may be useful in guiding MNC efforts to build global absorptive capacity and receptivity for transferring useful management knowledge and know-how between headquarters and foreign subsidiaries. In this study we use consistent language from a MNC perspective, referring to the country where the MNC is headquartered as the "home country", and other countries that host the MNC's foreign operations as "host-countries".

Host country nationals and MNC absorptive capacity

The overall ability to exploit external knowledge – to recognize the value of new information, assimilate it, and apply it to commercial ends – characterizes a firm's innovative capability, which in turn is critical for competitive viability (Sharkie, 2003). This ability of the firm to exploit external knowledge has been referred to as "absorptive capacity", and is greatly influenced by the firm's prior related knowledge, beliefs, and basic assumptions (Cohen and Levinthal, 1990; De Long and Fahey, 2000). Prior related knowledge, beliefs, and basic assumptions possessed within the organization are important because they influence the receptivity to and interpretation of external information, as well as the organization's subsequent ability to assimilate and utilize the information deemed valuable. And as the absorptive capacity involves not only the intake of external knowledge but also its flow across organizational units through to eventual productive and commercial application, this internal flow can be influenced by the extent of inter-unit "homophily", or the degree to which two or more interacting individuals or groups are similar in certain critical attributes, such as beliefs, education, priorities, and values (Bhagat *et al.*, 2002; Gupta and Govindarajan, 2000; Rogers, 1995).

These attributes of similarity are associated with both cognitive (e.g. comprehension of facts, procedures) and affective (e.g. values, beliefs) domains of learning (Bloom, 1956; Krathwohl *et al.*, 1964), and can be achieved through both formal efforts of employee training and development, and informal organizational processes of normative integration and socialization (Black and Mendenhall, 1990; Van Maanen and Schein, 1979; Bartlett and Ghoshal, 1989). Common overarching values and commitment within the affective domain are fundamental to MNC efforts to enhance global integration and control that transcends national cultural differences through a shared organizational culture and alignment of priorities (House *et al.*, 2002; Gupta and Govindarajan, 2002; Rowden, 2002). The development of these common values and shared commitment contribute to each party's motivational disposition to both accept and offer useful knowledge, and thus promoting the free flow of information and increasing overall absorptive capacity (Gupta and Govindarajan, 2000).

As asserted by Cohen and Levinthal (1990), the development of an organization's absorptive capacity will build on the state of development of the absorptive capacity of its individual organizational members, and, as an extension, the absorptive capacity of the various organizational groups and units where the individuals work. Besides expatriates assigned to a foreign operation, that operation's host country workforce represents a potential group of individuals that can recognize and acquire pertinent external knowledge that is beneficial to the MNC. Thus, attention could be productively directed at purposeful investments in training and management

development directed at building HCN employee KSAs that promote individual absorptive capacity, leading to improved innovative capability, knowledge management, and competitive strength.

With regard to increasing absorptive capacity related to the flow of information between organizational units, training efforts can be made to build commonly held KSAs among HCNs and expatriates that promote inter-unit similarity. As a major objective of expatriate training is to enhance the expatriate's understanding of cultural differences and ability to work with HCNs to facilitate management knowledge and know-how transfer from the headquarters to foreign subsidiaries, a similar training objective should also be directed toward HCNs. Their increased knowledge of company objectives, procedures, and organizational culture, as well as increased motivation and commitment (e.g. motivational disposition) to company and work operation success, can enhance their openness and receptivity to this flow of knowledge and information brought by the expatriate from company headquarters as well as from other company organizational units. Likewise, their improved understanding of the needs and purposes of the expatriate and company as a whole, along with favorable motivational disposition, can facilitate their agent transfer role in critical information flow to the individual expatriate, to MNC headquarters, and other units within the MCN network of operations (Dunning, 2003; Gupta and Govindarajan, 2000; Cohen and Levinthal, 1990).

To gain a clearer picture, grounded in actual MNC host country field operations, of various forms of HCN learning that can lead to their enhanced absorptive capacity and that of expatriates and the MNC as a whole, we conducted exploratory interviews in multiple host country and cross-cultural field settings. In particular, we desired to examine in our interviews and further taxonomy development potentially productive forms of HCN learning, within a conceptual framework of absorptive capacity, relevant to the success of expatriates, the foreign operation, and overall MNC.

Method

Open-ended, exploratory interviews, each lasting 30-60 minutes, were conducted with 22 English-fluent Mexican human resource directors and managers (13 and 9, respectively) from 20 maquiladora operations (representing 13 US, one Korean, and six Japanese multinational firms) located in Tijuana and Mexicali, Mexico; and with 29 US human resource directors and managers (all having some degree of local human resource management responsibility), and employed in eight Japanese, six German, five British, five Korean, and five French foreign-owned subsidiaries located in California, New York, Illinois, and Florida. Thus, a total of 51 different interviews were conducted with HCN representatives from two very different host countries, and who were employed in 49 different MNC foreign subsidiaries with headquarters located in six different countries.

All of the US human resource directors and managers interviewed were US-born, while all of the human resource directors and four of the nine general managers interviewed in Mexico were Mexican nationals, with the other five general managers being US-born and residing across the border in the US (e.g. in nearby San Diego and Calexico). The number of MNC home country expatriates assigned to these operations ranged from 0 (i.e. occasional presence) to 15, and most had a total of 3-5 assigned expatriates with 10-15 host country managers and first level supervisors. The primary

purpose of the expatriate assignments were reported to be for strategic control and filling specific staffing needs (e.g. see Ondrack, 1985).

The size of the subsidiaries varied greatly, with the number of employees in these operations ranging from 45 to 1,500. These foreign subsidiaries represented several different industries, including electronics, computer technology, metal parts manufacturing and assembly, consulting, food and clothing manufacturing, banking and financial services, medical and pharmaceutical products, printing, retail, airline, automobile, hotel, and shipping and transportation. Therefore, the sample attempted to reflect considerable breadth to optimize the generalizability of the findings in this study.

The above exploratory interviews examined potentially productive forms of HCN learning in various formal developmental processes within the host country operation and the MNC as a whole. Due to their generally distinct nature, the three major employee levels of operative, supervisory/middle management, and upper management were examined separately in terms of their particular forms of learning that could contribute to improved productivity. For each employee level HCN representatives were asked to describe areas of HCN learning that would be beneficial in supporting HCN and expatriate productive behavior and work performance, as well as contribute to overall operation productivity. Consistent with a training needs assessment approach, our primary focus was on identifying productive forms of learning that could serve as a foundation for deriving future specific training objectives, rather than upon specific approaches and techniques for the delivery of training (Goldstein and Ford, 2002). Nevertheless, major training delivery approaches being used were often noted. The interview data were collected by one of the present authors and 12 research assistants, each sample collected by one researcher in one-on-one in-person and telephone interviews.

The notes from the interviews were recorded by hand and were combined and analyzed by one of the authors for evidence of potentially beneficial forms of HNC learning using procedures of domain and theme analysis in taxonomy development (Spradley, 1980; Carney, 1972). Each observation or quote from the notes was assigned a descriptive category of some type of HCN learning, and then these notes were organized into groups with the same category labels. Some similar category groups were combined under more meaningful and inclusive categories, according to Carney's (1972) "pragmatic reduction," to separate the array of category groups or cells into a smaller number of classification categories. On occasion, labeled notes in a single category group were, upon further analysis, deemed to be sufficiently dissimilar to place them into two separate groups of related but distinctly different categories. Twelve categories of potentially beneficial forms of HCN learning for enhancing foreign subsidiary performance and individual/organizational absorptive capacity finally emerged across the three employee levels, and are listed in Table I.

These 12 category groupings were then analyzed for similarities across categories, and finally contrast dimensions were examined through componential analysis for further taxonomy conceptual development. These category groupings and contrast dimensions were reviewed individually by the 12 research assistants to check validity and confirm agreement on category development. This approach is common in similar field studies involving taxonomy construction (Bailey, 1982). Since the purpose of this exploratory field study was to identify, describe, and begin to construct a taxonomy of

HCN employee level	HCN learning
Operative level	New employee orientation Entry job skills Parent company predominant language Expatriate and MNC home country cross-cultural awareness
Supervisory and middle management	Supervision and technical operations management MNC home country cross-cultural awareness supporting expatriate interaction Expatriate coaching Liaison role between parent company expatriates and lower level HCNs
Upper management	Advanced technical system operations Subsidiary business level strategy Parent company (MNC) strategy Parent company (MNC) culture

Table I.
Forms of HCN learning
for enhancing foreign
subsidiary performance
and absorptive capacity

potentially beneficial forms of HCN learning, contributing to more comprehensive and inclusive international management theory development, no effort was made at this stage to quantify the relative importance of these forms of training nor the frequency with which they were identified.

Analysis of results

We now will describe and provide examples of each of the 12 categories of potentially beneficial forms of HCN learning for enhancing absorptive capacity as identified by our field research. Several examples gained from the interviews will be used to illustrate these categories. Commonalities among the HCN learning categories within each of the three employee levels will be addressed, as well as distinguishing characteristics or contrast dimensions that make each category unique within its employee level.

Operative level

Four major categories of potentially beneficial forms of learning contributing to absorptive capacity were identified at the operative employee level:

(1) new employee orientation;

(2) entry job skills;

(3) parent company predominant language (i.e. the language most commonly spoken at MNC headquarters); and

(4) expatriate and MNC home country crosscultural awareness.

These categories relate to forms of HCN learning that would directly contribute to and facilitate immediate and longer-term absorptive capacity within the MNC by increasing HCN receptivity to external knowledge in the host country environment, as well as building attribute similarity to the expatriate, thus leading to increased inter-unit similarity and successful flow of information between HCNs and expatriates.

New employee orientation and entry job skills. In addition to basic information typically offered in new employee orientation, two HCN learning objectives noted as particularly important by several companies were:

(1) gaining a big picture of where the employee fits in and contributes to the global efforts of the MNC; and

(2) developing positive expectations of and confidence in, especially through development of effective entry job skills, how successful performance on the job can contribute to fulfillment of the employee's immediate and long-term needs, including career advancement where such is a perceived need.

This latter learning objective seemed to be much more important at the immediate level for Mexican HCN operative employees who were largely motivated to just get above a subsistence economic level for survival, whereas the US employees were less motivated by immediate survival and safety needs. Entry job skills were provided primarily through on-the-job training, whereas formal presentations away from the workstation were given for company orientation training.

Parent company predominant language. The provision of parent company language instruction for employees at the operative level (often through tuition support for courses offered during off-work hours by external language education providers) typically, was not directed at affecting job performance at this employee level, but was used to communicate upward mobility and potential opportunity within the parent company, particularly if the employee is willing to put forth the extra effort to do those things that would help prepare for promotion. An operative employee who became competent in the parent company's predominant language would increase the likelihood of being promoted to higher levels of supervision and management, which would likely require significantly more communication and interaction with expatriates and the parent company. Within the maquiladoras, however, the Japanese and Korean firms that were contacted did not provide parent company language instruction. However, they did provide support for English instruction, believing that this language skill would make promoted employees more valuable with the proximity to the US, and would enhance communications with the expatriates who also were often English fluent. Nevertheless, this lack of MNC and expatriate home country language instruction for HCNs in Japanese and Korean firms would likely decrease the level of inter-unit similarity and even trust, and therefore interfere with absorptive capacity and flow of knowledge between expatriates and HCNs (Feely and Harzing, 2003).

Expatriate and MNC home country cross-cultural awareness. HCN socioeconomic level has been suggested as a relevant factor in determining the content of HCN training at the operative level (Vance *et al.*, 1993). For the same reason that Mexican HCNs were more focused than their US HCN counterparts upon the instrumentality of entry-level skill training and orientation in securing employment that would meet immediate survival and safety needs, Mexican HCNs generally had much less interest in learning about the national culture of the MNC's home country. In contrast, our US contacts consistently revealed that the US HCNs, less driven by short-term survival and safety need fulfillment, were much more curious and motivated to learn about the national culture of expatriates and the parent company. Such increased cross-cultural awareness and understanding can potentially enhance individual personal attachment,

trust, and cooperation toward the expatriate, and thus increased receptivity to information from the expatriate and MNC headquarters (Luo, 2001; Bresman *et al.*, 1999; Maznevski, 1994). In fact, one HCN human resource director indicated that the *lack* of such cross-cultural understanding led to wasteful distrust, negative stereotyping, and latent conflict directed at Japanese expatriates and Tokyo headquarters, all contributing to an unfavorable motivational disposition that would decrease HCN absorptive capacity.

Supervisory and middle management
Forms of beneficial HCN learning at the supervisor and middle management level included:

- supervision and technical operations management;
- MNC home country cross-cultural awareness supporting expatriate interactional;
- expatriate coaching; and
- skills related to the often informal liaison role between parent company expatriates and lower level HCNs.

These forms of HCN learning involved close interaction with and support of expatriates in ensuring smooth operations and a free flow of knowledge and information within the foreign subsidiary.

Supervision and technical operations management. Employees promoted to first line supervisory positions typically received training in general supervision and technical operations management. Those in middle management also typically received technical training, particularly for planning and management of technical system operations. This technical training was provided primarily on an in-house basis through on-the-job training and coaching, and occasionally at parent company headquarters for generally a one to threeweek period. These types of training programs facilitated expatriate knowledge transfer and HCN receptivity since HCNs became more equipped with basic technical and company operations skills and shared work performance goals (Luo, 2001).

However, the following account reflects the frustration of a Mexican manager working for a Korean company where larger goal understanding and alignment were not promoted:

> We have neither authority nor respect as managers. Decisions have already been made at the top management level. So Mexican managers are only implementing a designed plan. We only know what to do to meet the goal, but we do not know why we are doing it.

Here, the limited information provided to middle HCNs about the overall plan and big picture led to potentially low absorptive capacity within the host country unit due to at least three reasons. First, the lack of a broader picture regarding company operations predisposed HCNs to be unaware of important factors relevant to company strategy and implementation that could otherwise be relayed back to the MNC to appropriately adjust plans and avoid misguided effort. Second, the HCN managers' perceived lack of trust and respect and uncomfortable state of ignorance due to the MNC's lack of full disclosure decreased their motivational disposition and receptivity to new knowledge. Finally, the lack of MNC headquarters' willingness to share the bigger picture with middle HCNs suggested its lack of value and trust in that source of knowledge, and

thus low motivational disposition that ultimately decreased the MNC's receptivity and absorptive capacity.

MNC home country cross-cultural awareness supporting expatriate interaction
Unlike knowledge of general MNC home country cultural characteristics appropriate for lower-level HCNs' more distant working relationship with expatriates, cross-cultural learning at this middle HCN level was aimed at supporting much closer work interactions and a trusting relationship with expatriates. Although it was seldom offered, especially for the Mexican HCNs at this level, several managers indicated that it would be very helpful for supervisors and managers who interface with expatriates to receive crosscultural training related to the parent company and expatriate national culture to increase understanding and to decrease the likelihood of misinterpretation of cues leading to offense and lowered motivational disposition. In the above instance of incomplete "big picture" company information provided by the Korean MNC, it is possible that the damage to their motivational disposition and absorptive capacity could have been minimized had the Korean company provided instruction to Mexican managers about its management philosophy, and thus not raise false expectations.

Several US managers in Japanese subsidiaries indicated that they basically relied on an unpredictable trial-and-error approach as well as advice from their more experienced HCN peers to try to understand and get along with their expatriate bosses. They indicated that a more formal, systematic training effort would help them better understand and appreciate why their expatriate superiors behaved and made decisions the way they did, and thereby help improve work interactions through reduction of waste and inefficiencies incident to miscommunication and misunderstanding (Matveev and Nelson, 2004; Luo, 2001). This increased understanding gained through this training and reinforced by close work interaction experience over time can help build trust and a more positive motivational disposition among HCNs that would encourage greater sharing of helpful information back to expatriates (Bresman *et al.*, 1999).

This training in expatriate parent company culture, as well as in skills and practices for promoting cross-cultural understanding (i.e. reflection, social interaction, empathy, openness, flexibility, moderating hasty perceptual and evaluative tendencies), could be useful for HCNs in relationship building and optimizing the productivity of interactions with expatriates in the same way that such skill development can be valuable for expatriates in promoting adjustment and achieving foreign assignment success (Paik and Sohn, 2004; Suutari *et al.*, 2002b; Caligiuri, 2000; Arthur and Bennett, 1995). Several of the HCN managers in our study also believed that such enhanced cultural understanding would help them better support and clarify the behavior of the expatriate executives in the eyes of the HCN operatives. Thus, we see that this cross-cultural learning would not only increase the receptivity and absorptive capacity of this level of employees, but also lower-level HCNs through the mid-level HCN intermediary influence.

Expatriate coaching. One US human resources manager in a Korean shipping firm with operations in Los Angeles reported that they had success in increasing expatriate open-mindedness and cross-cultural understanding with a formal mentoring program that assigns US managers to Korean expatriates in the US-based subsidiary. In such a program the HCN managers are able to provide ongoing coaching and mentoring on a

one-on-one basis to help expatriates avoid costly mistakes and engage in the most productive behavior possible for the host national operation (Feldman and Bolino, 1999). This Korean MNC's success suggests the presence of coaching and mentoring competence on the part of the HCN managers, and therefore testifies to the need, where competence does not naturally exist, of training for developing such skills.

Several HCN representatives indicated that it would be useful to receive training on how to coach their expatriates and help them avoid costly errors due to their typical cultural unfamiliarity with the HCN and host country environment. Here we see an interesting example of how an increase in the skill level of HCNs can in turn yield useful information for improving expatriate adjustment and performance, thus improving the two-way knowledge flow and absorptive capacity of the overall host country operation (Zimmermann *et al.*, 2003). In some countries, particularly those with high power distance characterized by unequal superior-subordinate relationships, additional cross-cultural training may also be necessary for HCNs who would otherwise find their responsibility of giving advice and counsel to higher-level expatriates very difficult to fulfill, given their cultural background (Paik and Sohn, 1998; Sargent and Matthews, 1998).

Skills related to liaison role. Several US human resource directors and managers indicated that much of their time is spent in a liaison role between expatriates and lower-level HCN operatives, a work performance expectation that they did not anticipate when they were assigned or hired for the job, and for which they had received no formal training. Whereas the aforementioned coaching skill would fall on the expatriate side of this liaison role, the other side directed toward lower-level HCNs represents a critical source of leverage of the expatriate's influence – transmitted through the HCN liaison – among the HCN workforce. One human resource director within a Japanese bank subsidiary in Los Angeles mentioned that much of her time was spent in addressing destructive rumors within the HCN grapevine, dispelling negative cultural stereotypes, and in dealing with other forms of conflict between the lower level HCN and Japanese expatriates and headquarters. She firmly believed that her and other HCN managers' important liaison role in managing inevitable crosscultural conflict within the foreign subsidiary and often directed toward parent company headquarters should be clearly recognized, and ongoing training should be provided to support this important morale building and maintenance responsibility among the HCN. Thus, improved skills in carrying out this critical liaison role could lead to improved motivational disposition and understanding among the entire host country workforce, and therefore improved absorptive capacity.

Upper management
Forms of beneficial HCN learning at the upper management level included:

- advanced technical system operations;
- subsidiary business level strategy;
- parent company strategy; and
- parent company corporate culture.

These categories of HCN learning related to strategic and deep structural factors tied to survival and success at both the local business or subsidiary level and the broader

corporate-wide MNC level. Very few true HCN upper-level managers were found in our field research. Those in the US were located primarily in Japanese and Korean subsidiaries, and were mostly run by the HCN executives as part of the MNC's multi-domestic decentralization strategy. These operations had the "personality" and appearance of American businesses, reflecting very little of the parent company national culture.

Advanced technical system operations and business level strategy. Within the Mexican maquiladoras there were a few upper-level managers of Mexican ethnicity who were nonetheless US citizens and lived across the border in the US. They occasionally received advanced technical systems operations management and host country business level strategy training at parent company headquarters from periods of one or two weeks to six months. This increased understanding among HCN executives about MNC operational procedures and host country business goals promoted at least to a limited extent the flow of knowledge between expatriates and host country managers, and thus contributed to absorptive capacity. However, this exchange of knowledge and mutual learning was impeded in some cases by the regular absence of MNC expatriates at host country operations. For example, one American human resource director of a Japanese automobile plant in Los Angeles indicated that the general absence of visible expatriates and the visual lack of parent company Japanese presence created a deeprooted feeling of independence, almost to the degree of abandonment by the parent MNC. She stated that when on rare occasions Japanese expatriates were assigned to their plant, these expatriates did not become an integral part of its operations, and both expatriates and HCN senior management missed a great opportunity to learn from each other.

Alignment in parent company strategy and corporate culture. There were two cases of Mexican national maquiladora managers who were sent to US parent company headquarters, and one US manager who was sent to parent company headquarters in Germany where each worked for over two years prior to returning to the host country for upper-level management responsibility. This form of longerterm management development experience in the MNC's home country, increasingly referred to as an "inpatriate assignment" (e.g. see Lachnit, 2001; Briscoe and Schuler, 2004, pp. 252-253), can potentially provide for the HCN manager a helpful exposure and aligning influence to the corporate culture of MNC headquarters, and to the particular style and process of parent company strategic management (Begley and Boyd, 2003; Gupta and Govindarajan, 2002; Harvey, 1997). When, according to the inpatriation strategy, the HCN manager returns after a few years to his or her own country to a top-level assignment within the MNC's operation, working closely with or even replacing expatriate management, this senior HCN manager should now be able to work more effectively within the context of the strategic direction, goals, and culture of the parent company (Harvey *et al.*, 1999). This resulting shared company mindset is a critical source of absorptive capacity with its ability to greatly facilitate the management knowledge transfer from headquarters to the local subsidiaries, as well as return flow to headquarters of valuable HCN perspective field-based knowledge. But this optimal link by HCN executives to the corporate mindset and concomitant increased absorptive capacity will likely not be achieved without learning through significant direct work experience and longterm interaction with MNC expatriates and other headquarters personnel (Novicevic and Harvey, 2004; Marquard and Horvath, 2001).

Ultimately, the parent firm, with this increased HCN executive thought alignment, will likely have more strategic control over the foreign operation than over other operations headed by HCN managers who have not had this indepth parent company culture/strategy learning experience (Kobrin, 1988). This level of strategic control will likely not be attained in MNCs like one Korean auto manufacturer in this study which, according to the Los Angeles facility human resources manager, would allow significant autonomy in local decision making but never invite a HCN executive to work at MNC headquarters in Korea. The training and executive development of the HCN at this level is particularly important in helping to achieve a truly global orientation for the firm, rather than focusing solely upon developing an elite cadre of expatriates originating from the parent country (Begley and Boyd, 2003; Gupta and Govindarajan, 2002). With the HCN executives' greater commitment and understanding of MNC strategy and purpose, as well as their awareness of their legitimate role and that of their HCN employees in two-way knowledge exchange, they will be in a much stronger position to obtain pertinent information from the host country external environment and foreign operation conditions and share useful knowledge with MNC headquarters (Vance and Enshera, 2002; De Long and Fahey, 2000). Finally, total MNC absorptive capacity can be increased where executive HCNs in the various MNC host country operations share common alignment of "heart and mind" and constitute a vibrant knowledge sharing global network (Dunning, 2003).

Discussion

With an almost exclusive focus in the international management literature upon the preparation and training of expatriates for international assignment success, there has been a major neglect of attention to HCN learning needs contributing to the optimization of foreign subsidiary performance. We argue that such neglect hampers the absorptive capacity of the HCNs and MNC as a whole, limiting the HCN's ability to acquire pertinent information and therefore restricting the MNC's intake sources of potentially valuable external knowledge. This neglect also serves to inhibit the effective transfer of new knowledge and know-how between HCNs and expatriates, and throughout the MNC.

From our exploratory field research we have constructed and examined a taxonomy of 12 forms of HCN learning at three major employee levels that brings new and concrete insights into the theoretical construct of absorptive capacity. These forms of learning can contribute to enhanced absorptive capacity through the development of pertinent knowledge and skills among HCNs, a more favorable HCN motivational disposition toward expatriates and the MNC, and greater HCN-expat similarity. This increased absorptive capacity potentially results in greater HCN receptivity to expatriate knowledge and know-how for productive host country operation application, increased HCN inclination to acquire new external knowledge pertinent to the MNC, as well as a stronger HCN tendency to share useful knowledge with expatriates and other MNC representatives.

This potential increase in useful information sharing by HCNs – such as their coaching expatriates on how they can improve their influence on the local host country workforce – following their learning of new KSAs also illustrates how the increase in HCN absorptive capacity can in turn result in increased absorptive capacity of expatriates and the MNC as a whole. In particular, the ability of the MNC to generate

new information for improving the validity of expatriate pre-departure training can be dramatically increased by gaining and improving access to the input of its HCNs (Vance and Ensher, 2002a). For example, workforces from Mexico, Indonesia and the USA have been found to be significantly different in their perceptions of both positive and negative managerial behaviors affecting their work performance (Vance and Paik, 2002b). Their individual and distinct workforce perceptions could be useful in providing more precise and valid pre-departure cross-cultural training based upon unique foreign workplace needs, which could in turn improve the expatriate's ability to interact with HCNs and impart important knowledge and know-how.

As we have examined, these forms of learning can potentially contribute to enhanced expatriate and subsidiary performance, and ultimately increased receptivity for a two-way exchange of critical knowledge and information. For today's organizations to build a truly global orientation, MNC investments in employee learning should not have such an ethnocentric bias as we have seen in the past, but also should include significant development plans and actual learning investment for the HCN segment of the MNC's global human resources. Managers should recognize the long-term benefits of such HCN learning investment, particularly because in the long run it will be more cost-effective and culturally supportable to greatly diminish or even phase out expatriate managers, replacing them with local or global managers.

We believe that the HCN learning needs taxonomy developed and examined here, grounded in field experience, can be useful in guiding planning efforts for HCN training at various employee levels for increasing individual and HCN unit absorptive capacity. However, this model is intended to be flexible, and provides only a useful contextual framework as a beginning basis for guiding future theory development and prescriptive research. Our exploratory study does not assert that the various forms of beneficial HCN learning that were identified are limited to the employee level indicated in the model. For example, we have suggested forms of learning about MNC national and corporate culture appropriate for each of the three major employee levels. But although, based on our field research, we highlight the importance of HCN learning of company corporate culture at the executive level, particularly by means of an inpatriate experience, we do not mean to imply that HCN learning about corporate culture could not be productively included at the supervisor or middle manager level. Also, although gaining skills in coaching and to support an important HCN liaison role was identified as being helpful at the supervisor/middle manager level, this observation doesn't mean that such learning would not also be appropriate for HCN senior managers and executives, such as those who are leading operations in the host country and providing ongoing professional development support for subordinate expatriates.

Our exploratory research has been aimed only at identifying potential forms of HCN learning that can contribute to absorptive capacity, and has not examined which forms of HCN learning can result in the greatest "bang for the buck" in terms of creating beneficial absorptive capacity. For example, future research should examine whether training focused primarily at HCNs at the supervisor/middle manager level that especially emphasizes the important liaison role of these HCNs vis-à-vis lower-level HCNs can contribute to greater overall HCN unit absorptive capacity than training interventions aimed directly at lower-level HCNs. And while the present research mainly focuses on training content objectives (e.g. what are the necessary skills and

competencies for HCNs), future research also should examine training methods and processes that achieve training content objectives in the most cost-effective manner. For example, it is not clear when and under what socioeconomic conditions cross-cultural awareness training for HCNs would be most beneficial, or how and at what HCN levels a company's core values can be most cost-effectively taught to build positive motivational disposition and inter-unit similarity, thus building receptivity and the capacity for effective transfer of knowledge and practice.

It is possible that much of the past and present predominant emphasis on expatriates in international management research and practice is due to the self-serving excitement of expatriates from developed countries as they consider the international experience and its value for career enhancement, paired with their relatively greater economic power in obtaining such training and international development experience. And likewise a new shift toward a greater emphasis upon HCN training will come as HCNs in developed countries (e.g. Americans working for Japanese and German companies in the US) begin to assert themselves and demand more meaningful involvement and development opportunities. However, executives should realize that such an important shift should be made by MNC strategic intent for increased absorptive capacity and vital knowledge acquisition and flow, and not be simply led by an unpredictable and inefficient, collective self-serving demand.

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Ubuntu as a key African management concept: contextual background and practical insights for knowledge application

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Abstract

Purpose – To explore how an increasing attention which is being paid to language and culture in organisations can help people to understand the impact of particular management concepts in business practices.

Design/methodology/approach – A range of publications has been selected to indicate how important language in organisations is and how particular cultural backgrounds influence the applicabilty of management concepts. This has been illustrated with the concept *Ubuntu*, which gains popularity in South Africa.

Findings – The applicabilty of *Ubuntu* in companies will rely on the habitus of the manager to be a good conversationalist.

Originality/value – So far the Western literature about management knowledge has neglected the development of particular management concepts originating in other parts of the world.

Keywords National cultures, Knowledge transfer, Linguistics, Africa

Paper type Conceptual paper

Introduction

The last decade *Ubuntu* has been introduced as a new management concept in the South African popular management literature (Lascaris and Lipkin, 1993; Mbigi and Maree, 1995). "Even South Africa has made a contribution with the rise of something called "*Ubuntu* management" which tries to blend ideas with African traditions as tribal loyalty" (Micklethwait and Woodridge 1996, p. 57). Mangaliso (2001, p. 23) points out that with the dismantling of apartheid in the 1990s South Africa embarked on a course toward the establishment of a democratic non-racial, non-sexist system of government. "With democratic processes now firmly in place, the spotlight has shifted to economic revitalization". To support this revitalization, *Ubuntu* became introduced as a new management concept to improve the coordination of personnel in organizations. *Ubuntu* is seen as humaneness, "a pervasive spirit of caring and community, harmony and hospitality, respect and responsiveness, that individuals and groups display for one another". By using the Hampden-Turner and Trompenaars model (1993) concerning the seven cultures of capitalism he reviews the competitive advantages of *Ubuntu*. One of the themes within that model focuses on language and

communication. Mangaliso (2001, p. 26) stresses the fact that "traditional management training places greater emphasis on the efficiency of information transfer. Ideas must be translated quickly and accurately into words, the medium of the exchange must be appropriate, and the receiver must accurately understand the message. In the *Ubuntu* context, however, the social effect on conversation is emphasized, with primacy given to establishing and reinforcing relationships. Unity and understanding among effected group members is valued above efficiency and accuracy of language". To that end – Mangaliso notices – it is encouraging to see that many white South Africans start to learn indigenous languages to better understand patterns of interactions and deal with personnel appropriately.

With this mastering of language(s) Mangaliso has pointed at an intriguing issue, which needs further exploration. He creates a contrast between traditional management approaches (like Taylorism and Fordism) and *Ubuntu*. Whereas the former only focuses on formal language as a means to transfer information in an efficient way, the latter is based on conversation. This contrast reflects an interesting debate, which actually takes place in the management literature. There is the modernist perspective that conceives management knowledge as a predefined, reified object adopted by organizations. Although Thairu (1999, p. 151) admits that "communication in Africa needs to build on people's experiences and capacities and needs to take into account sensitivity arising from cultural and religious perceptions and practices" he still uses a traditional sender -receiver model to show how knowledge management is conveyed as a set of objective messages. Such a model of diffusion of management knowledge like in the form of management concepts presupposes that adoption of new concepts is given by the intrinsic merits of these predefined objects and/or the characteristics of potential adopters while the organizational stakeholders comply with norms of rationality and of progress. In contrast to this model (Gupta and Govindarajan, 2000), there is an increasingly popular perspective conceiving management knowledge as constructed via processes of transmission like conversation (Shotter, 1993; Lervik and Lunnan, 2004). In this respect it can be noticed that over the last decade or so there has been a significant increase in the study of language in organization studies (Grant *et al.*, 1998; Holman and Thorpe, 2003, Moldoveanu, 2002). Some of the research being conducted in this area is meant to be potentially useful to managers. In that context the initiative of those white South African managers can be positioned to learn other languages as a way to become better experts while designing an approach which strengthens their capability to calculate rational solutions to problems by improved manipulation. This kind of approach is, however, still managerialist in the sense that it embraces the traditional view that managers get things done through the actions of others. A lot of management concepts that have been developed over the last 25 years indeed reinforce managerial interests instead of being focused on broader managerial practices. If, however, the mastering of languages is meant to make managers become good conversationalists who are both responsive listeners and responsive speakers in order to manage interactions instead of actions (Shotter and Cunliffe, 2003), we deal with a different view on language. The purpose of speaking many languages may then be seen as a way to achieve commonly shared objectives (Falola, 2003). This capability to speak different "languages" consists of showing how what is proposed by managers can fit everybody's interests. This is what is at stake with *Ubuntu*. *Ubuntu* does not only enhance communication between

management and employees but provides voice too, i.e. a participatory interaction where openly conflictual social formation can occur, producing voice and inventive ways of living together (Deetz, 2003).

This other view on the functioning of language clarifies how an effective implementation of *Ubuntu* in organizations can take place. Managers who are good conversationalists are able to tell a story, which does not only refer to the facts but can also be liveable for all those involved.

In the remainder of our contribution we would like to present our argument in three steps.

We first explore the increasing attention being paid to the role of language in organizations and how this issue is linked to organizational cultures. This focus on language provides a better way to understand how management knowledge is being applied. In the second section the development of *Ubuntu* as a management concept will be explored. Its role as a setting to promote conversations, which lead to common understanding and consensus, will be stressed. Finally, attention will be paid to the ways *Ubuntu* can be conducive to the establishment of an African managerial habitus.

Language and organizational cultures

Cultures manifest themselves in the behaviours, which follow from them. The major vehicle for the transmission and manifestation of the values and principles which lie at the core of a culture is language. Watson (1994, p. 112) therefore contends that "we know a culture primarily through language". People in organizations need a degree of common language to reach effective cooperation. Within such a common language specific values and priorities will be shared. This will of course not deny the fact that there might exist within an organization a tension between the official culture of an organization and the unofficial one." "The official culture of organization is the system of meanings, values and norms espoused by the managerial dominant coalition; the unofficial culture or cultures of an organization are the systems of meanings, values and norms actually prevailing in the organization."

In order to keep the official culture as close as possible to the unofficial one management will develop a discourse, which is designed to persuade people to work together. Such a discourse is, "a connected set of statements, concepts, terms and expressions which constitutes a way of talking or writing about a particular issue, thus framing the way people understand and act with respect to that issue" (Watson, 1994, p. 113). Language and power are therefore not devoid from each other, but the more the manager is able to provide a narrative which is not only persuasive but also convincing in the sense that consensus will be reached the lesser a kind of power play will be at stake. In that sense management language is meant to mobilize people into networks for knowledge sharing, team learning and consensual cooperation. In order to do so managers are supposed to demonstrate communicative and participative competences (Holden, 2002, p. 273).

Managers who manifest these competencies are able to frame meaning and socially construct reality for themselves and the other participants in the organization. Talking with others in that way makes managers good conversationalists. These managers develop scripts, which are built upon the frames that prevail in an organization. Whereas the framing involves communications that shape the general perspective upon which information is presented and interpreted, scripts are "the emergent guides

for collective consciousness and interactions that are sufficiently circumspect to provide cues for behaviour when unexpected events occur, and yet flexible enough to permit improvisation" (Gardner and Avalio, 1998, p. 41).

Management concepts ranging from management by objectives (MBO) to total quality management (TQM) and business process re-engineering (BPR) have become highly attractive ways to develop a script. Over the last 25 years a whole range of management concepts, typically originating in the US, have spread across the industrialized world. "They have typically followed the lifecycle of a fashion, moving from being the preserve of exclusive pioneers through to mass-market penetration before tapering off" (Mueller and Carter, 2005, p. 221). These management concepts can play a significant role in scripting the prevailing discourse in an organization. Usually managers draw upon various forms of rhetorical crafting, including stories, to convince the others to actively participate in the implementation of a particular management concept in the organization. Management concepts generally are introduced with an exhortation script that is meant to de-legitimate the traditional way of doing things in business. With the latest management concept at hand a new way of working is propagated.

Quite often managers are assisted by management consultancies to craft the storyline. These consultants have built a reputation in translating a particular concept into a commodifiable, programmed change initiative and diffuse it to as many organizations as possible. It is, however, up to the managers themselves to translate the same concept into a particular one, which can be transferred to the prevailing organizational practice (Holden, 2002). The purpose of the translation of a management is to create a new company practice but its success depends on the legitimations the manager can provide. Green (2004) stresses that justifications can take many different forms but he proposes to distinguish three main types: pathos, logos and ethos:

(1) Pathos justifications impact emotions. They are passionate appeals to an audience's self interest. The appeals made excite to the imagination and direct behavior away from the *status quo*.

(2) Legitimations based on logos justify actions by appealing to the desire for efficient/effective practices. They require methodical calculation of means and ends.

(3) Legitimation based on ethos justify actions by referring to socially accepted norms and mores.

Whereas pathos and logos justifications emphasize individual concerns and interests, ethos appeals "focus on the social and collective interests" (Green, 2004, p. 660). In any discourse, dialogue or conversation all three types of legitimation do play a role.

It is interesting to notice that management concepts demonstrate congruity with these three types of justification. Initially they are introduced by referring to legitimations based on pathos. Providers/creators of these concepts usually deliver a concept under the aegis of a new acronym or another striking label which formulates a particular organizational issue as an irresolute but pressing problem which managers will easily recognize.

In the context of a logos justification management concepts demonstrate another characteristic. They offer a very general solution to identified problems. They do not, however, provide constitutive rules which prescribe specific actions to be taken but

deliver general guidelines that will bring about an increase in efficiency or effectiveness. These guidelines suggest a standard of conduct (protocols) and propel action in a certain direction.

The ethos appeals refer to the success stories about specific well-known firms that have either developed or have implemented the concept. General Motors, IBM, Shell or Toyota are usually portrayed as convincing examples of the success of a concept. The examples are particular narratives i.e. evidence based stories (Sorge and van Witteloostuijn, 2004) which articulate the knowledge employed in particular situations which subsequently through scripts of routinization become embedded into new practices (De Long and Fahey, 2000).

Habermas (1984, 1987) has linked these three types of justifications to three validity claims: pathos - truthfulness; logos - truth; ethos – rightness. These validity claims shed a particular light on the way a manager can reach consensus through dialogue/conversation with other organizational stakeholders. A conversation is a kind of communicative action, which is usually defined as a range of actions towards agreement or mutual understanding (Verständigung). The goal of communicative action is to coordinate the speech acts of the participants. Habermas' focus is on the pragmatic aspect of language i.e. how language is used in particular contexts to achieve practical goals. While consultants talk about a management concept in an "experience-distant way" the managers on the other hand talk about the same management concept in an "experience-near" way. Managers prefer to deal with concepts in a perceptual way and look for applicability (Geertz, 1979). Within the context of social interaction Habermas, however, draws an important distinction.

To achieve the practical goal of implementing a management concept, however, social interactions can be divided in strategic and communicative ones. If a manager persuades her subordinates to accept a management concept without mutual understanding, but for example "misleads" them to implement the concept, then force – a power relation – determines the means of coordination. In strategic action the manager strives at her own private goal without restraint. What matters for the manager is how she can use the employees to realize her own private goal by "selling the concept". This practice is called a hampered conversation.

In the situation of communicative action the manager as well as the subordinates comprehend and accept the relevance of the validity claims through which the importance of a management concept is being presented. They will then jointly implement the management concept, which then includes as much a set of speech acts as the material act of implementation.

The communication model Habermas has developed is of interest because it makes us realise that, for the validity of a management concept, it is not enough to only focus on its propositional truth. Management concepts are full of storytelling and their impact cannot solely be judged on their claim of truth alone. The knowledge that a management concept contains also has to be understood in terms of rightfulness (ethos) and truthfulness (pathos).

Conversations contain pathos, logos and ethos justifications an as "talk-in-interactions" they reflect the workplace as a linguistically constituted community in the sense that there always is: an explicit enactor i.e. the manager, but that it is the community of standard enactors, who actually implement a management

concept. In the absence of such a community the enactment would be undefined and would thus not exist as enactment (Taylor and Every, 2000, p. 270).

Taylor and Every (2000) notice that in the dominant Anglo-American management literature the perspective to perceive enactors as a strategic means to reach a goal is still prevalent. The now popular talk about employees as human resources typifies this approach. People are just another resource to meet the objectives of the instrumental organization. Within such a context, communication is limited to its strategic version.

Jackson (2004, pp. 26-28) studying African management practices has introduced a *humanistic* view of people to oppose this strategic view. According to this view people are seen as having a value in their own right and an end in themselves. *Ubuntu* encapsulates this approach. Even if it may sound somewhat idealistic – as Jackson says – "to try to identify a particular African style or even philosophy of management (…), any description of management systems within Africa should include a consideration of an indigenous African management". And *Ubuntu* seems to reflect this approach.

Ubuntu as a management concept

After the political changes resulting in the 1994 election of Nelson Mandela to become the new president of South Africa, it became increasingly evident that the South African business community needed to transform as well. *Ubuntu* as well as other dimensions of African culture where introduced as positive resources for catalyzing the business transformation in South Africa. It was put forward that in order to attain this transformation the interconnectedness in community as a key characteristic of the African way of thinking should be seen as starting point (Nussbaum, 2003).

In the African tradition, it is the community that defines the person as person. *Ubuntu* as a translation of the Xhosa expression *"Umuntu ngumuntu ngabantu"* means the person is a person through other persons, and this expresses a typical African conception of a person. *Ubuntu* provides a strong philosophical base for the community concept of management (Khoza, 1994). Mbigi (1997) has listed the following relevant principles of *Ubuntu*: the spirit of unconditional African collective contribution, solidarity, acceptance, dignity, stewardship, compassion and care, hospitality and legitimacy. *Ubuntu* is an African worldview that is rooted and anchored in people's daily life. The expression of a person as a person through persons is "common to all African languages and traditional cultures" (Shutte, 1993, p. 46). *Ubuntu* is a symbol of an African common life-world and the concept has namesakes in different terms in African countries. Ramose (1999) made a relevant remark by saying: "African philosophy has long been established in and through *Ubuntu*. That here not only the Bantu speaking ethnic groups, who use the word *Ubuntu* or an equivalent for it, are referred to, but the whole population of Sub-Saharan Africa, is based on the argument that in this area "there is a family atmosphere, that is, a kind of philosophical affinity and kinship among and between the indigenous people of Africa". In West Africa, more in particular in Senegal, the concept of *"Teranga"* reflects a similar spirit of collective hospitality between people. Zimbabwe's concept of *"Ubukhosi"* also mirrors itself metaphorically in the statement *"umuntu ngumuntu ngabantu"*. Research in Eritrea shows how modern HRM practices in large Eritrea firms have to be embedded in the tradition of communally shared responsibilities (Ghebregiorgis and Karsten, 2005). There are apparently similarities between these concepts and that of

Ubuntu, which reflects an African view on community, and is embedded in customs, institutions and traditions (Karsten and Illa, 2004).

According to Shutte (1993), *Ubuntu* is not synonymous with either Western individualism or collectivism. *Ubuntu* expresses an African view of the life world anchored in its own person, culture and society, which is difficult to define in a Western context. According to Sanders (1999), the Zulu phrase *"umuntu ngumuntu ngabantu"* has an economy of singular and plural not captured in the banal "people are people through other people". The translation of *Ubuntu* can sound like "a human being is a human being through human beings or the being human of a human being is noticed through his or her being human through human beings [. . .]. The ontological figure of *Ubuntu* is commonly converted into an example and imperative for human conduct". *Ubuntu* is enacted in African day-to-day actions, feelings and thinking. The African community as a social entity, however, is constantly under construction. It is an attempt to shape indigenous social and political institutions, which will be able to develop African nations and African civil societies. It is this atmosphere *Ubuntu* tries to encapsulate.

Although *Ubuntu* represents a specific African worldview, Mbigi (1997) is convinced that it nevertheless can be translated to what he calls The African Dream in Management. *Ubuntu* refers to the collective solidarity in Africa but it can become convertible in other modern forms of entrepreneurship, leadership, business organizations and management. The introduction of *Ubuntu* as a management concept will not replace the transfer of knowledge, like management concepts, from the Western world but can support the development of a hybrid management system operating in Africa within which these Western concepts can find their proper African translation. A proper African management system – like the American and Japanese ones – may generate a variety of management styles as distinctive sets of guidelines, written or otherwise, "which set parameters to add signposts for managerial action in the way employees are treated and particular events are handled"(Purcell, 1987, p. 535).

Ubuntu as a management concept intends to be more than just a popular version of an employee participation programme defined by the interest of management. *Ubuntu* is the label that covers the way company members interact and share experiences. In that sense *Ubuntu* fits the socialization process as described by Nonaka and Takeuchi (1995) during which tacit knowledge becomes shared. *Ubuntu* reflects a particular kind of commitment and loyalty to the social group which demonstrates similarities with Japanese practices (Glisby and Holden, 2003). *Ubuntu* therefore strives to reach beyond a purely managerial approach and strengthens an attitude of open conversations like Habermas propagates. In that sense *Ubuntu* reflects a critical discourse because it includes the voice of all participants in the organization and the building of consensus. Similarities with consensus building in the indigenous African political system are striking. Storytelling, inclusive decision-making and participatory community meetings are key features in traditional rural African communities. "Coercive powers were generally not employed by the chief to achieve unity. Unity of purpose was achieved through the process of consensus building" (Ayittey, 1991, p. 100). Majority of opinion did not count in the council of elders: unanimity was the rule. In face-to-face communities in control of their own destinies these "wisdom circles" were widespread. In these wisdom circles people rarely engage in direct response to what is said with argument and debate. "Rather what is sought is a deepening of

understanding and the spontaneous emergence of a solution or decision" (Glock-Grueneich, 2003, p. 36). Although these qualities of the rural cultures continue to have an important role in the urban context, it has been difficult to introduce the traditional form of wisdom circles in modern instrumental organizations. Nevertheless, a modified version can certainly help to shape an *Ubuntu* approach in firms.

Scepticism about a suggested prevalence of *Ubuntu* in African companies, however, cannot be denied. Jackson (2004) indicates that African organizational cultures and management styles with a predominantly strategic orientation are widely present and some of these management styles are often seen as rigid, bureaucratic, directive and task-oriented. Wal and Ramotschoa (2001, p. 4) notice that *Ubuntu* is sometimes popularised in business books reflecting the tendency to align it with productivity improvement and worker motivation techniques, which reduces its significance "to flavour of the month status". They urge to prevent *Ubuntu* from quickly obtaining a faddish character and believe that "*Ubuntu* embraces a set of social behaviours like sharing, seeking consensus and interdependent helpfulness which, if recognised, valued and willingly incorporated in the culture of organizations, could exert considerable positive outcomes on business results". Wal and Ramotschoa's fear should not be related to *Ubuntu* as a management concept, but to the context in which it is applied. The issue is whether managers will use it for managerialist purposes or as the basis for communicative action leading to shared perspectives. The purpose of *Ubuntu* as a societal value is to reshape social relations in African society and in African workplaces. Managers who are good conversationalists will share *Ubuntu* as a concept that can free workplaces from one sided, instrumental approaches of human beings and create an atmosphere of cultural harmony. If for whatever reason managers deny this purpose, they will indeed limit *Ubuntu* as a management concept to a strategic i.e. managerialist use for specific goals they have defined themselves (Rwelamila *et al.*, 1999). Habermas (1984, 1987) describes such an approach as strategic action where the diagnosis and the solution of a problem within the organization is not being shared and commonly performed by all participants. It then is a prerogative of management to set the objectives and forces others to simply accept them. In such situations management concepts are only used for strategic purposes. *Ubuntu*, however, is based on communicative action and managers embracing *Ubuntu* support that form of social interaction.

In line with what has been said about the way concepts are being translated to the firm, one can notice that the legitimation of *Ubuntu* has strong moral overtones. It is being defended as a new view on business based on a concept, which is anchored in a long-standing cultural tradition. Part of the discourse about *Ubuntu* contains strong appeals referring to pathos. It has obtained a striking label and has raised in general terms a specific management issue. "Black managers and professionals need to develop a strong sense of collective social stewardship [. . .]. We need a strong sense of collective, social citizenship" (Mbigi, 1997, p. 38). The tendency to establish solidarity will build "a culture of empowerment and team work in the workplace" (Mbigi, 1997, p. 5).

When we look at the logos appeal it is clear that *Ubuntu* is meant to improve the efficient and effective operations of workplaces in the South African context.

Constitutive rules to attain such a goal of improved efficiency are not available, but the success stories compensate a lot.

Literature begins to provide numerous success stories, but none of them seems yet to reach the status of the key success story. There is for example the case of Durban Metrorail, which adopted *Ubuntu* as one of its guiding principles and made the company the Most Progressive Company in Kwazulu-Natal[1]. Patricia and Scheraga (1998) on the other hand consider the South African Airway to be the best example to illustrate how a major non-American corporation uses the various dimensions of *Ubuntu*. Another interesting case for the implementation of *Ubuntu* is CS Holdings[2]. The staff of CS Holdings believes that "the reputation of a company as perceived by the market is as important as the actual services rendered by the company". CS Holdings obtained its reputation as a new South African IT company, which forms alliances with firms such as *Ubuntu* Technologies to provide "expertise and knowledge exchange as well as some infrastructure, enabling *Ubuntu* Technologies to tender for business from which they were previously excluded". The integration of *Ubuntu* guidelines made it possible for CS Holdings to improve its management style and its performance and integrate these guidelines into routines and daily practices as normal attitudes.

Even if a positive impact of *Ubuntu* guidelines can be contested, Chancock (2000) is right that the need to fight for different experiences, as they are reflected in other organizational cultures like in Japan, is even greater for vulnerable indigenous communities in a global economy where Western views still dominate. Regardless of the fact that *Ubuntu* can be abused for political reasons, it should be acknowledged, that an indigenous African management system is in its hybrid phase and that there is a tendency of "crossvergence" which can support the development of a particular value system as a result of cultural interactions (Jackson, 2004, p. 30). The hegemony of the modernist Western management approach generally has ignored those local cultural values. In the process of changing that modernist perspective, *Ubuntu* may provide a solution to the problems African workplaces face.

Ubuntu as a new managerial habitus

Actors who converse engage in actions interwoven with various social forms of life. It is impossible to dissociate the meanings and purposes of speakers put forward in a discourse from the background of these conversations which contain an open network of mental states of speakers such as desires, intentions and beliefs directed at facts and states of affairs as well as series of speaker's abilities and practiced relating to their common forms of life (Searle, 1969). This context or background is structured and enabled by social conditions, not the least of which is the socially learned practice of speaking a language. Habermas had called this the life-world, the stock of implicit assumptions, intuitive know-how and socially established practices that function as a background to all understanding. This "horizon-forming context of communication" (Habermas, 1985, p. 165) is composed of society, culture and individual.

In its exhortation script *Ubuntu* is being introduced as a management concept which reaches beyond purely economic criteria of efficiency/effectiveness to include the African life world in African business practices. *Ubuntu* intends to step away from the discourse that historically has pervaded the South African business community. Frequent reference is made to TQM as the example of a concept that introduced

empowerment, customer service and charismatic leadership in Japanese firms. In contrast to the western view which looks at labour as a commodity sold, bought and bartered like other goods, the Japanese emphasize through TQM that labour is recognized as human and not just a piece of property that is valued solely by market forces (Kinzberg, 1991). Shigoto labour is seen as a process of accumulating knowledge in a firm (Kaicha) that literally means a societal clan having as its purpose the reproduction of its population (Michalon, 2003). Like TQM *Ubuntu* envisages a different view on instrumental organizations. It intends to bridge the gap between official and unofficial organizational cultures.

Being able to speak the language of *Ubuntu* is crucial, but not enough to improve the performative attitude of a manager interacting with others. The performative attitude implies that she is able to integrate in her actions the three-validity claims of truth, rightness and truthfulness. Bourdieu (1990) has called this performative attitude the *Habitus* – a concept to link linguistic practices to the broader social sphere. *Ubuntu* can shape a fundamental part of the dispositional practice of managers, that is, part of their habitus. *Habitus* relates a collection of embodied mental, intellectual, ethical and even esthetical dispositions of an actor to his/her social background, which subsequently establishes his/her own practice in different social fields. It denotes the capabilities individuals possess which are revealed by their exercise as dispositions to act. These dispositions are by definition behavioural, but emotional, physical and mental dispositions can be distinguished. Habitus is studied through a variety of practices by which it is revealed (Nash, 2005). *Habitus* enables "an infinite number of moves to be made, adapted to the infinite number of possible situations which no rule, however complex, can foresee" (Bourdieu, 1990, p. 9). *Ubuntu* can shape a new habitus which indicates how managers as actors share with others a life-world and its practices, even if there are between them asymmetrical social positions and relations of domination (Bohman, 1999).

Nonaka and Takeuchi (1995, p. 152) define Bourdieu's *habitus* as "a kind of socially constructed principle of regulated improvisation in which tradition and creativity intersect to create new knowledge". In the context of this article we might say that *Ubuntu* can create a new habitus through which African managers familiarize with a specific traditional life-world and create through conversations and dialogues new African business practices. The actors who jointly converse about *Ubuntu* as a concept "will bring their own views, thoughts, and emotions to the table, and the meaning of the concept itself will change through this group process" (Von Krogh *et al.*, 2000, p. 88). The meaning of *Ubuntu* ultimately is accepted when all three validity claims are shared. Although judgments about the truth, rightness and truthfulness of a concept may seem very far away from business concerns, they play a role in creating something truly innovative (Von Krogh *et al.*, 2000). Conversations as described in this article may fit the epistemology of practice that Cook and Brown (1999) are striving for. They engage participants in an effective exchange of relevant and appropriate information to finally reach a mutual understanding about what has to be done and how it should be done. Once that stage will be reached *Ubuntu* will lead to (scripts of) routinization. It will no longer be "executed only if consciously planned but has become part of routine and normality" (Mueller and Carter, 2005, p. 233).

Conclusion

Nussbaum (2003, p. 7) is convinced that business practices, which are truly infused with *Ubuntu*, can lead to a new business paradigm, which frees "workplaces in the west from the tyranny of soulless technical professionalism and the culture of emotional denial at work". In a similar vein Jackson reasons by stating that within the African context a humanistic view of management may develop which sees employees as having a value in their own right. This view distances itself from the strategic view in organizations, which only perceives people as a means to an end. *Ubuntu* encapsulates this humanistic view and for that reason is attracting quite some attention. *Ubuntu* is being positioned as a new way to strengthen economic revitalization of Africa. To attain that goal a proper management system operating in Africa is quintessential. Mangaliso is of the opinion that to that end the craze for efficiency and accuracy of language has to be countered by an emphasis on conversation. It is presupposed that African managers will better master a relationally responsive understanding than Western managers, while these latter are only professionally trained as accountable persons and manage employees accordingly in a strategic way. Mangaliso refers to a distinction between accuracy of language at the one hand and conversation at the other. This article has argued that it is not language as such which is at stake, but only the version that logical positivism developed and that found its way in Taylorism and Fordism. Since a focus on discourse and dialogue has entered the field of management- and organization studies, this view of language begins to be revised. The pragmatic theory of communicative action provides an interesting basis to relate the issue of language to that of conversations.

Once African management consultants will translate *Ubuntu* into a commodifiable, programmed change initiative to diffuse it in Africa and other places in the world, it can run the risk of falling victim to the lifecycle of so many fads and fashions in management literature. *Ubuntu*, however, is often compared with TQM as a label that reflected how Japanese firms were able to shape their own company practices. This label stressed the importance of quality as a shared responsibility in any firm. As such it did not disappear from the management language but became an integral part of it. *Ubuntu* may obtain the same results while it stresses the urgent need for interconnectedness, conviviality and harmony in workplaces. In order to be translated and converted into a proper manner Holden (2002) emphasizes the role of cross-cultural management. Managers need to develop cross-cultural communicative competencies – a *savoir-faire* – to enable a conducive and collaborative atmosphere in companies, which strengthens the values, *Ubuntu* stands for. These values do not reflect a fixed human nature. Diversity in organizations has shown clearly that that cannot be the case. But it does indicate that actors in organizations have some common nature, which in some cultures is more respected than in others. This common human nature makes intercommunication possible. That is what *Ubuntu* tries to express as a pathway of understanding and living our common humanity.

Notes

1. Durban Metrorail is a South African company of public transport. It had received a place of success during the Black Management Forum in 1999, for the most Progressive Company in Kwazulu-Natal.

2. CS Holdings is a South African IT firm. More information available at: www.cs.co.za/reconstructionand_development.htm

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Knowledge transfer in Vietnam: starts, stops, and loops

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Abstract

Purpose – To offer a framework of structural and contextual influences on knowledge transfer of foreign management ideas to Vietnamese academic and managerial colleagues. It addresses four factors: stage of relationship between Vietnamese and foreign counterparts; participative competence (i.e. knowledge, experience, and motivations of those sending and receiving knowledge); atmosphere within each side's organization; and conduit conditions, or factors that facilitate transmittal or translation of knowledge.

Design/methodology/approach – The paper draws on an ethnographic study from 1994-2003 of the creation of Vietnam's first international standard business school, within the National Economics University (NEU), in Hanoi, which included participant observation, semi-structured and informal interviews with over 60 Vietnamese faculty members, managers, university administrators, and foreign visiting professors and administrators, field notes, documentation, and archival records.

Findings – The paper concludes that long-lasting knowledge transfer is not straightforward in its flow; must be bi-directional for the primary transfer (i.e. of Western business knowledge) to succeed, and moves from primarily explicit to both explicit and more tacit knowledge transfer.

Research limitations/implications – The paper calls for additional research on perceptive competence, organizational atmosphere, conduit conditions, and turning points in relationships.

Practical implications – A toolkit for managers on key aspects to consider in knowledge transfer and exchange within developing countries and within multinational firms.

Originality/value – The paper expands existing models and adds new components regarding the relationship between parties, and the notion of bi-directional interactions.

Keywords Knowledge transfer, Multinational companies, Developing countries, Vietnam

Paper type Research paper

A foreign project manager in Vietnam reflected the challenges of transferring foreign management knowledge to local colleages:

> When we foreigners came to Vietnam in the early 1990s, the Vietnamese were hungry for business knowledge, despite wariness of foreigners. They accepted what we said, but had no context from which to make sense of it. Later, as they gained understanding, they wanted more information about the logic behind western ideas. During this period, knowledge was mostly explicit and tangible, flow was one way (foreigner to Vietnamese) and relatively smooth.
>
> As the Vietnamese gained confidence, their attitudes changed. Foreigners who arrived now didn't understand the ambiguousness of the atmosphere. They didn't fully acknowledge the growing resistance to accepting what foreigners assumed was their lofty knowledge. The change in attitude was subtle at first – the Vietnamese discounted foreign knowledge because Vietnam was a special case.
>
> Later, they became defiant and unwilling to accept or value foreign ideas. Some said we've gotten from you what we want; now leave. It's our country and our organization and we don't want outsiders telling us what to do. This shift in behavior and interaction was tough to accept. Some foreigners couldn't adjust to being challenged; they became unwilling – and as a result unable – to offer knowledge to the locals, so knowledge flow stopped or slowed.

Time passed. Long-term foreigners learned the internal Vietnamese system, approaches to networking, and ways of thinking. They worked with and around them, building trust with Vietnamese counterparts. They tried to help the Vietnamese work through internal departmental rivalries. And slowly, the atmosphere changed again. The Vietnamese realized they could learn more from the foreigners (both explicit and tacit knowledge) and the foreigners realized the Vietnamese had much to offer, which supported knowledge exchange, and benefited foreign organizations as well. The foreigners moved from mentors to colleagues. The two groups worked together, as partners (Adapted from Napier and Thomas, 2004, pp. 83-84).

As the project manager suggests, transfer of western management practices to Vietnam, a county moving toward a market economy without changing its political system, has followed starts, stops, and loops. Not unlike transfer of knowledge in education, within corporations, or across governmental agencies, at times, knowledge flows readily; at times, it jams; and in the best of times, it exhibits a type of loop where each side learns from and builds upon the other's knowledge.

To examine knowledge transfer challenges, this paper draws on an ethnographic study of the creation of Vietnam's first international standard business school, within the National Economics University (NEU), in Hanoi. During 1994-2003, the project sought to create academic and research programs to help Vietnamese managers do business regionally and globally. The study included extensive participant observation by the author, who was co- or sole manager of the project, and semi-structured and informal interviews with over 60 Vietnamese faculty members, managers, university administrators, and foreign visiting professors and administrators during the project. In addition, field notes, documentation (e.g. e-mails, meeting minutes, letters/faxes, reports), and archival records (e.g. organization charts, personal records, newspaper articles) provided further data.

The paper has four sections. The first part briefly discusses selected elements of Vietnam's transition context and implications for Vietnamese and western counterparts. Next, the paper proposes a framework of four factors that appear to influence knowledge transfer during transition. They are:

(1) Stage of relationship of the Vietnamese and their counterparts (Napier and Thomas, 2004);

(2) Participative competence – senders' and receivers' ability, motivation and understanding of knowledge (Gupta and Govindarajan, 2000; Holden, 2002);

(3) Organizational atmosphere, from each side's perspective (Holden, 2002; Michailova and Husted, 2003; Nonaka and Takeuchi, 1995); and

(4) Conduit conditions, which facilitate knowledge flow (i.e. communication channels and interactive translation) (Gupta and Govindarajan, 2000; Holden and von Kortzfleich, 2004).

The third part illustrates the framework in Vietnam; the paper concludes with suggestions for future research.

Vietnam's transition context

Vietnam's economic reformation, *Doi Moi,* began in 1986. By the early 1990s, managers shifted from centralization and bureaucratic organization of power (Kornai, 1992), strong hierarchy and paternalistic supervisor behavior (Clark, 1996), and suspicion of

foreigners (Michailova and Husted, 2003). Yet, movement toward a market economy under socialist guidance was tempered by Vietnamese organizations' ability to adapt (Cohen and Levinthal, 1990; Napier and Thomas, 2004). Most had deeply embedded operational approaches, like the case study's university. Founded in the 1940s, the NEU played a major role in the French and American Wars, and thus had 50 years of strong political connections, regulation and bureaucracy.

Yet, by 1992, Vietnam's Ministry of Education and the (project funders) Swedish International Development Cooperation Agency (Sida) independently recognized the need to train future Vietnamese managers in western management practices. The Ministry mandated the NEU to develop and deliver such education. Thus, the university, long steeped in old processes, was charged to learn new ones.

Transition's impact on Vietnamese faculty members and managers
The transition environment and collective culture shock (Fink and Feichtinger, 1998) affected Vietnamese similarly to Eastern/Central Europeans.

Lack of market economic knowledge. Vietnamese lack of knowledge about market economics and western management came from their lack of experience with and need to trade with the west (Kozlova and Puffer, 1994) and their Marxist-Leninist education, focusing on production (versus demand) economics. Thus, they had no vocabulary for concepts like business, customer service, or entrepreneurship.

Change in networking approaches. Planned economies are infamous for extensive networking (Holden *et al.*, 1998; Napier and Thomas, 2004; Peng and Luo, 2000). The Vietnamese used networks both inside (e.g. with superiors, subordinates, party representatives) and outside (e.g. with local party bosses, regional authorities, and ministries) their organizations to further their careers, protect themselves or their families, and gain information. Usually, networks emerged from a close (and closed) circle – people from their home villages, university classes, or work settings. Trusting those outside the network was dangerous and avoided.

But in the 1990s, Vietnamese began to recognize traditional networking's limitations. For example, to increase contact with international colleagues, they had to accept and use e-mail (about 1998), although at first they balked, preferring face-to-face relationships. Only after months (or even years) did university and business people open their networks to accept e-mail's invisible people.

Learned helplessness. Transition demanded that Vietnamese take initiative, which was counter to their sense of learned helplessness, or belief that individuals lack control over their rewards and punishments (Garber and Seligman, 1980). They managed through collectivism, rather than believing personal effort or initiative would matter (Stahl-Rolf, 2000). *Doi Moi* raised the issue of responsibility and accountability (Napier and Thomas, 2004).

But even during transition, Vietnamese faculty members questioned whether individual performance would affect rewards and so retained learned helplessness attitudes. For instance, in jointly taught classes, the Vietnamese sometimes held back, literally (in the back of the classroom), letting foreign professors assume and accountability. Most foreigners, oblivious to the behavior, filled the vacuum and took over a class, missing opportunities for knowledge and behavior transfer.

But over time, Vietnamese learned to act, not just react. In fact, during the mid-1990s, expatriate managers of business, aid, and educational projects,

independently reached a similar conclusion: to recognize and act on a good idea, the Vietnamese needed at least eighteen months of foreigners' nudging. A manager at Bao Viet, Vietnam's largest insurance company, found the same: Vietnamese managers need at least two years to learn they could – and should – make their own business decisions (Cohen, 2001).

Knowledge-sharing atmosphere. Western managers and academics working in Vietnam often experienced a hostile for information sharing environment (Michailova and Husted, 2003). Some Vietnamese managers insisted they owned information; withholding it gave them power. Also, some claimed that transition's turmoil made information obsolete, and thus sharing it was useless.

Risk taking. Before *Doi Moi,* Vietnamese managers and faculty members rarely took risks (Holden *et al.*, 1998). If they did and failed, they faced punishment, like loss of promotion or transfer to an outlying location for education or work. So, learned helplessness and risk avoidance were common.

Interestingly, as the 1990s progressed, westerners saw examples of almost reckless risk taking. For instance, Vietnamese faculty members once advertised a new graduate program without ministry approval. They feared missing a market opportunity, and advertising was critical. They claimed that risk taking was a proactive way of dealing with chaos, of putting some 'stability' into the picture, because . . . the "experimenter" [risk taker] is assuming some control of a situation. . . (Vu and Napier, 2000).

Transition's impact on foreigners in Vietnam

Foreigners working in Vietnam were also affected by the transition context. They faced lack of knowledge issues; surprise at Vietnamese self-confidence; and confusion about organizational hierarchy.

Lack of knowledge about transition economies and Vietnam. In the early 1990s, foreigners typically had little experience with developing economies, let alone Asian transition economies. Unexpectedly, those with Central/Eastern Europe or Russian experience were often very ineffective in Vietnam. First, they were insensitive to Vietnamese culture, true for many westerners. More surprising, they were insensitive to political conditions. Unlike former Soviet countries, Vietnam (and China) kept communism, as the economic system changed. Consequently, certain topics were simply off limits for public discussion (e.g. human rights, single party politics), but few foreigners grasped such context intricacies.

Further, lack of understanding about Vietnam was especially common for Americans in their 40s and 50s, for whom Vietnam meant a war, not a country. Thus, the project managers coached them to avoid patronizing notions of wanting to make amends for the US by helping the poor Vietnamese. When reminded that the Vietnamese won the American War and have no public hostility about it, most foreigners recognized their ethnocentrism.

Vietnamese self-confidence – warranted and not! Foreigners expected Vietnamese to be self-effacing and modest, so many were surprised at the sense of superiority and self-confidence during transition. One American was astounded when a Vietnamese said, We will conquer you. We did it in the American War and we will do it in business. At the time, the man owned few changes of clothing, rode a bicycle to work, and rarely traveled. Yet, within ten years, he held a management position, owned a house, two motorbikes, and a computer.

The Vietnamese claim their confidence stems from their resilience over conquerors. Many cite the 1,000 years of Chinese domination, 100 years of French colonization and 25 years of American conflict as evidence they can prevail. Thus, they believe they will likewise succeed in business.

At times, however, their pride appeared misplaced (Gobeli, 1998), perhaps reflecting a lack of equivalent concept (at the time) and interference of past experience (Holden, 2002). Near the project's end, for example, foreigners asked how the business school would remain sustainable against competitors. Vietnamese faculty members first refused to acknowledge other business schools could be better, despite evidence of high quality of students, faculty and external funding. They also called other schools as our friends, not our competitors. Eventually (in just under 18 months!), they altered perspectives, recognized they have competition and identified strategies to sustain their progress.

Hierarchy. Transition economies tend to be vertically collectivist (Michailova and Husted, 2003) and hierarchical. Conversely, market-based economies are more horizontal (i.e. equal in status) and individualistic. In Vietnam, the friction between hierarchy and egalitarian philosophy emerged when peers became managers (Napier and Thomas, 2004). Vietnamese can accept seniority as a reason for promotion or a peer, but communism's egalitarian philosophy made it difficult for same age and status colleagues to become managers of their peers. Foreign professors and managers, conversely, focused on performance and managerial qualities,and often missed the subtle discrimination and resistance that some Vietnamese managers faced from their (former) peers.

Knowledge transfer in Vietnam: a proposed framework
The tentative framework, using existing research and ideas from the case study (Figure 1), has four components:

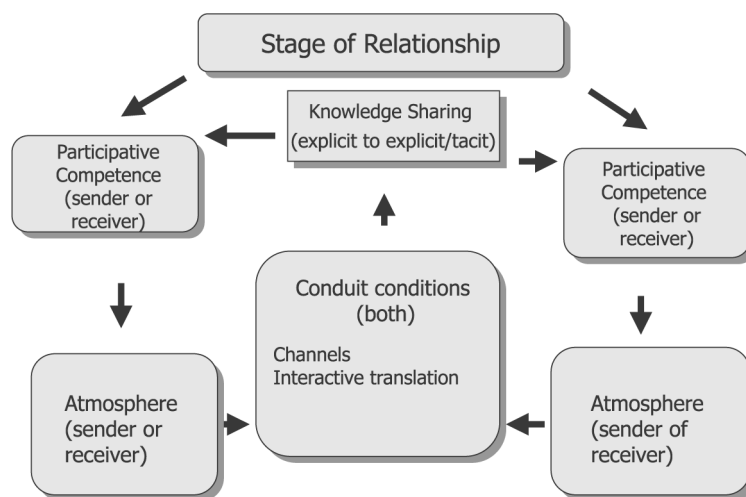(1) stage of relationship between local and foreign counterparts (Napier and Thomas, 2004);

Figure 1.
Knowledge transfer in
Vietnam

(2) participative competence (Gupta and Govindarajan, 2000; Holden, 2002);

(3) organizational atmosphere (Holden, 2002; Michailova and Husted, 2003); and

(4) conduit conditions, or methods and levels of communication channels and capacity for interactive translation (Brown and Duguid, 2002; Holden and von Kortzfleich, 2004; Gupta and Govindarajan, 2000).

Relationship stage

Napier and Thomas (2004) found that, overtime, transition economy and foreign managers experience four stages in their interactions and relationships. During initial *contact,* the two groups develop and test their relationship. Despite their efforts, however, both groups typically harbor stereotypic, naïve, and inaccurate views of the other, which decreases trust, a key to organizational atmosphere and openness for receiving or sending knowledge. Other perceptions affect communication and knowledge flow as well. For instance, local managers may defer to foreign partners because of learned helplessness, especially if both view foreigners as the (only) teachers (senders) and transition economy managers as the (only) learners (receivers) of knowledge.

A second stage emerges when transition economy managers openly *critique* behaviors of foreigners. Each side questions motivations of the other, jamming, slowing or even stopping effective knowledge transfer and communication. Transition economy members may withdraw, confront foreigners, or avoid conflict by ignoring or not carrying out requested tasks. Foreign managers may similarly withdraw, explode or give up.

In convergence, both groups adapt or find new behaviors and expectations to (re)develop trust. At this stage, foreign managers may fully appreciate the education and knowledge of transition country managers; local managers may realize how much knowledge they can contribute. Communication begins to be two-way, with loops from Vietnamese back to foreigners.

The final stage concerns whether and how the counterparts will continue the relationship. During this phase, constructive conflict may exist, but counterparts resolve problems without emotional conflict.

Relationship stage may also affect type of knowledge transferred. Given the Vietnamese lack of business knowledge during the contact phase, the bulk of knowledge transferred is explicit – concrete, detailed information about skills or business topics. Later, as each side understands the other's contexts, explicit as well as tacit knowledge – more attitudinal and unspoken – moves between the two (Figure 2).

Participative competence

Participative competence (Holden, 2002) comprises characteristics, experiences and traits held by knowledge receivers and senders that may affect willingness and ability to exchange and value knowledge. In the proposed framework, participative competence applies to both recipients and senders, in somewhat different ways.

First, receivers – foreign and local – are affected in at least three ways (Gupta and Govindarajan (2000):

(1) willingness to receive knowledge;

(2) absorptive capacity and ability to understand knowledge; and

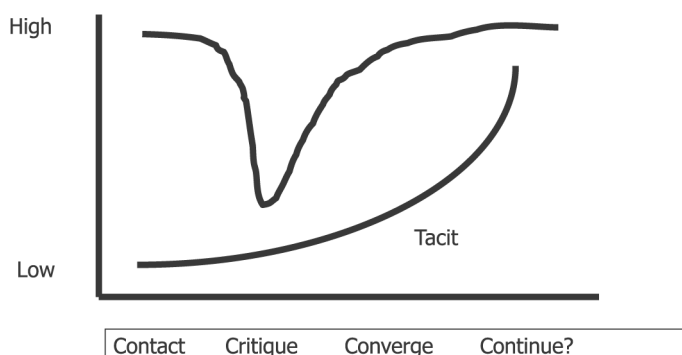(3) ability to value and use knowledge.

Figure 2.
Explicit and tacit
knowledge transfer in
Vietnam, by stages

Relationship stage also influences these factors. For instance, during contact, transition economy managers may be willing to receive knowledge but unable to understand and appreciate it, lacking prior knowledge or context of market economies. Or, in the convergence stage, foreign recipients may understand the sensitive nature of some knowledge from transition economy managers and know better how to use it.

Participative competence of senders is also critical. Senders, whether foreign or local, need motivation to share knowledge and ability to transfer it (e.g. communication skills, ability to adjust to conditions). Finally, each group needs an appreciation for knowledge, in different ways. Foreign knowledge senders need to understand the potential sensitive danger of transferring certain knowledge or information. Likewise, transition economy counterparts need confidence in their knowledge to be motivated and able to transfer it (Gupta and Govindarajan, 2000).

Organizational atmosphere
Holden (2002, p. 275) defines atmosphere as the quality of relationships, which can help set expectations and boost collaboration. The present framework parses experiences, expectations and structure within each organization (local or foreign) that can affect knowledge transfer and collaboration. Factors include supportive hierarchies (albeit differently implemented) within each organization. For instance, a supportive Vietnamese hierarchy meant that senior university administrators encouraged participants to learn and receive knowledge. In the US, supportive hierarchy meant flexibility from senior administration to allow – and uphold – decisions by project managers in Vietnam.

Further, each side needs to understand the notion of team, although it emerges in different ways. Also, when foreigners transfer knowledge, transition economy managers need to be willing adapt networks (moving from closed circles to more open ones) and reduce internal organizational rivalries. Foreigners need to have persistence and be willing to interact directly with locals as a team.

Conduit conditions
Two factors appear to affect smooth communication flow: the nature of the communication channels (Gupta and Govindarajan, 2000) and the role of interactive translation (Holden, 2002; Holden and von Kortzfleich, 2004). For this framework,

means multiple levels and communication methods and channels help increase trust between the groups. Also, the two sides need to recognize and build on turning points in their relationship and to accept the ambiguity, interference, and lack of equivalence that comes from translating ideas from one context and language to another.

Applying the framework: knowledge transfer in Vietnam

This section applies the proposed framework to the Vietnamese case study, where Vietnamese were the main recipients and foreigners were the main senders of western business knowledge (Figure 3). The next section examines the reverse (Figure 4).
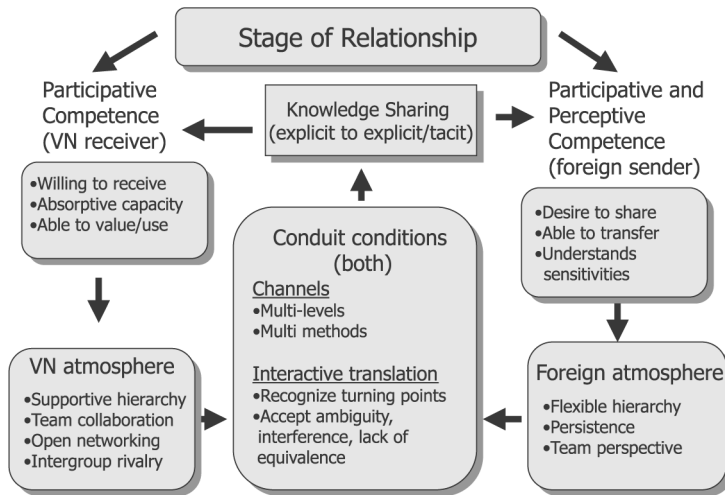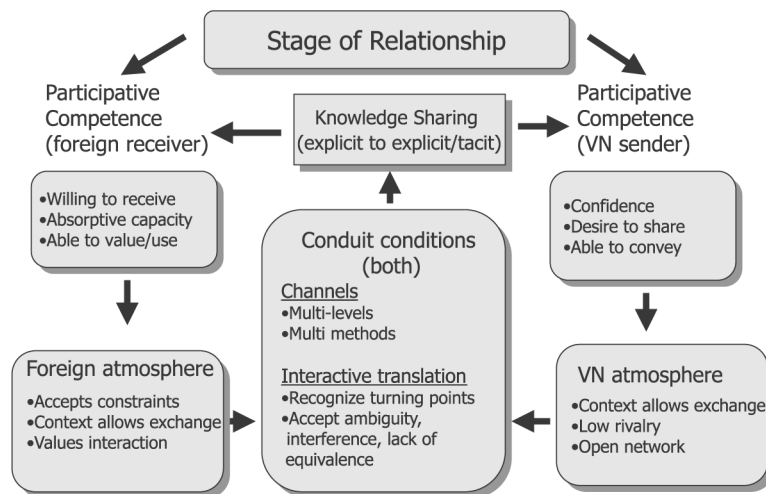

Figure 3.
Knowledge transfer in Vietnam

Figure 4.
Knowledge transfer in Vietnam

Participative competence of Vietnamese (as recipients)
Participative competence comprises three variables for Vietnamese recipients: willingness to receive knowledge, absorptive capacity and ability to understand knowledge, and ability to value and use knowledge.

Willingness to receive knowledge. In the NEU, the first cohort of thirty faculty members, ranging in age from 23-45, were selected by university administration and the Ministry of Education to join an international standard MBA program. Some resisted (too much work, unknown return); other saw it as an unprecedented opportunity (now I can learn English, receive a higher degree, perhaps move abroad). Yet, they all knew they had to be willing to receive the knowledge.

Most recipients believed they would (in time) also appreciate and adjust to new market economic conditions. Older faculty members had already experienced dramatic upheaval (e.g. as children during the American and Cambodian wars, as survivors of famine during the 1970s and 1980s, and as young people sent to the Soviet Union for education or work). They knew the project would make them leaders of an educational movement to assist Vietnam join the world business stage. Thus, they were relatively willing to receive knowledge, even if, initially, they were unable to fully absorb and understand it.

Recipients' absorptive capacity and ability to understand. Absorptive capacity (Gupta and Govindarajan, 2000) includes the extent to which recipients have prior knowledge about or a context in which to receive new knowledge, their need to know, and their willingness to unlearn to absorb new knowledge. The Vietnamese lacked experience with a market economic context within which to understand concepts like marketing, working capital, or copyrights. In addition, participants' absorptive capacity varied based on their need for transferred knowledge (Brown and Duguid, 2002). As *Doi Moi* evolved, managers and faculty members needed the ability to project demand, set prices, and use currency fluctuation. At those turning points, the need to know facilitated absorption.

Finally, being able and willing to unlearn prior ways of thinking and behaving helps recipients absorb and understand new knowledge. For instance, the Vietnamese had to unlearn assumptions about traditional networking and learn to interact in ways other than face-to-face, long-term relationships.

Recipients' ability to value and use the knowledge. In the early 1990s, the Ministry of Education and NEU administrators realized the value of western knowledge, although none had time or inclination to gain it themselves. But their support helped faculty and managerial participants appreciate its value as they created and delivered their own academic and training programs – Vietnamese and English language MBA and international accountancy programs, and executive education. Some participants became entrepreneurs and directly applied the knowledge.

Vietnamese organizational atmosphere
The Vietnamese university and business school exhibited at least four factors of organizational atmosphere that enhanced (or inhibited) trust and collaboration:

(1) supportive hierarchy, or the openness of multiple manager levels to encourage and accept new knowledge (Gupta and Govindarajan, 2000);

(2) team (not collective) collaboration (Michailova and Husted, 2003; Napier and Thomas, 2004);

(3) open networks (Glisby and Holden, 2003; Holden, 2002; Michailova and Husted, 2003); and

(4) interunit rivalry (Gupta and Govindarajan, 2000).

Supportive hierarchy. Senior NEU and Ministry of Education administrators strongly encouraged faculty members to learn and use foreign management knowledge, a major shift for many Vietnamese from being suspicious of evil foreigners to learning from them. Thus, the administration's encouragement was crucial for recipients to accept knowledge from (sometimes previous) enemies.

Moving beyond groups called teams. Vietnamese find it difficult to collaborate in teams, because it means trusting people outside existing networks. In a team building training session with IBM Vietnam's expatriate general manager and 30 Vietnamese employees, for example, some Vietnamese acted independently within assigned groups. Only after repeated failures, did the collective groups acknowledge the value of a team and trusting one another. As one member said, We call groups "teams" even when they are not.

Networks. Although closed networks facilitate fast knowledge exchange knowledge (Glisby and Holden, 2003), they may limit the range of knowledge. Willingness to open networks beyond personal circles increased access to different knowledge senders and content. During the nine year project, over 60 foreign professors participated – from North America, Europe, Australia, and Southeast Asia. By Phase II (1997-1999), the Vietnamese recognized advantages of expanding their networks to learn from people in different cultures and organizations.

Intergroup rivalry. Rivalry (Gupta and Govindarajan, 2000) within the university existed throughout the project. Other university departments resented the newly formed business school for its aid funding and access to western knowledge. The isolation that business school members felt, though, helped them become a team.

A drawback of the business school's separateness was periodic knowledge stoppage or jamming of knowledge flow to other parts of the university. Again, the supportive hierarchy of senior administration (e.g. Rector and Vice Rectors) sought to restart and spread knowledge, through regularly organized seminars, workshops, and lectures by foreigners throughout the university.

Participative competence of foreigners (as senders)
Participative competence for foreign senders mirrored those for Vietnamese recipients (i.e. desire and ability to share and value transferred knowledge). But, foreign senders had an additional obligation – perceptive competence. To transfer knowledge successfully, foreigners needed to perceive whether and how recipients related to the knowledge being transferred, and to adjust their approaches, based on recipient competence levels and the Vietnamese organizational atmosphere.

Motivation to share. Foreign senders' desire to share knowledge (Gupta and Govindarajan, 2000) came from intrinsic interest in project goals and, during the final phase, from funder ideology. Foreigners working on the project had a basic intrinsic interest in Vietnam, the project's goals, or in the experience of sharing knowledge.

Ideology played a role during the final phase (2000-2003), when the funder (USAID) asked for an explicit focus on increasing US-Vietnam trade. This meant hiring

foreigners with specific knowledge on trade regulations but perhaps less intrinsic interest in Vietnam or building a broader sustainable program.

Ability to convey knowledge. Next, foreigner senders needed ability to transfer knowledge, including technical skills (e.g. ability to lead discussion, teach, coach a manager), cultural sensitivity and perceptual competence to notice what and how to transfer knowledge at a given moment. In one fiasco, a consultant, successful in training Russian managers, had little perceptual competence in Vietnam. Unable to unlearn prior techniques and develop new ones for the Vietnamese setting, she failed to convey much valuable knowledge (Vu and Napier, 2000).

Knowledge value recognition. Finally, foreigners must understand the role and value of explicit – and tacit – knowledge in communist Vietnam, such as how to address (or not) sensitive topics to avoid endangering recipients. For example, in a class Vietnamese-American co taught course, a participant raised a controversial question about ethics. The American glanced at her Vietnamese partner, who clearly did not want to respond. In a split second before responding, the American's thoughts went two ways: is there something behind the question that I'm not understanding? and is the question asker some high ranking party official and that's why my partner doesn't want to respond? The Vietnamese co-teacher never raised the issue afterward and the American did not force discussion of what clearly was sensitive.

Foreign organizational atmosphere

Three atmosphere factors seemed to affect ability to transfer knowledge: hierarchy flexibility, persistence, and an attitude of team versus sides.

Hierarchy flexibility. The American university administration managing the project took a flexible approach to hierarchy and decision-making. Throughout the project, the American faculty project manager reported to the business dean and provost, who sat on NEU's advisory board. Administration requested no surprises, and granted the project manager much autonomy. As a result, decision making authority of American and Vietnamese counterparts differed greatly. Vietnamese often needed approval at multiple university (and sometimes Ministry) levels; the American project manager, in consultation (fax, e-mail or phone) with university administrators, made decisions on the spot, which meant timing and speed varied, slowing or jamming knowledge flow.

Persistence. Foreigners sought to increase trust with the Vietnamese by exhibiting persistence and by expecting to solve problems. When a problem emerged, project managers would typically rant for ten minutes (away from the Vietnamese) and then ask, OK, how do we fix this? (Glassman *et al.*, 2003). Expecting to solve problems created an organizational atmosphere – and tacit knowledge – that eventually permeated to participants – both local and foreign. Several years into the project, for instance, a Vietnamese faculty member admitted she no longer gave up on difficulties at work or home. Watching foreigners buck up and solve problems helped her learn to do the same with hers.

Being a team. Last, the foreign organization's atmosphere sought to enhance trust and credibility through behaviors – and language – that encouraged a team attitude. The Vietnamese have two phrases for we. There is we on our side (*trung toi*) versus you on your side, and there is we together, working as a team (*trung ta*). Using *trung ta* helped Vietnamese realize foreigners sought to work as a team. Finally, foreigners often sat on the same side of the table as Vietnamese colleagues, during negotiations with the university or funders.

Conduit factors: communication channels and interactive translation

For receivers and senders alike, communication channels (Gupta and Govindarajan, 2000) and interactive translation of ideas, values, and knowledge (Holden and von Kortzfleich, 2004) facilitated trust and knowledge exchange.

Communication channels. Channels should be dense, with multiple methods and levels of communication to succeed in knowledge exchange. In Vietnam, face-to-face interaction was preferred, complemented with social events and ceremonies and, in time, with virtual interaction. Also, as Vietnamese used email more, foreigners changed their correspondence style (using perceptive competence) to be simpler and less nuanced, saving controversial discussion for personal meetings.

Communication – and sometimes unexpected knowledge – flowed across multiple levels. In particular, senior Vietnamese and American university administrators held regular meetings at each site. Early on, both realized they faced similar problems: running a complex organization, balancing resource allocations and priorities, and supporting one unit (i.e. the new business school) without showing favoritism. Thus, the Vietnamese senior administrators gained same level sounding boards. In addition, lower levels (project manager and counterparts) learned to use senior American administrators to transfer ideas and convince senior Vietnamese counterparts.

Interactive translation. Two aspects emerged in interactive translation that helped collaboration: recognizing turning points; and accepting and understanding inherent uncertainties in knowledge sharing across languages and cultures.

Recognizing a turning point in relationships helped counterparts appreciate content, process, context and values of each other, which strengthened trust and knowledge sharing. For example, a project manager once faced a Vietnamese administrator and his colleagues about a controversial decision. The Vietnamese manager became angry (yelled, pounded the table), while his colleagues sat unmoving, heads down. The American manager remained externally calm (while internally upset).

The next day, a senior Vietnamese faculty member expressed surprise at the foreigner's calmness and embarrassment at her colleague's temper. Vietnamese rarely show anger, especially to outsiders. They do, however, explode within their inner network. So, in an odd way, the administrator's outrage was a turning point, taking his relationship with the foreign manager to a different stage, where they could be more open, even in disagreements.

In addition, interactive translation requires an ability to accept ambiguity, interference, and lack of equivalence that may exist in another language (Holden, 2002) or context, which both sides experienced. For example, having no equivalent perspective in their home countries about the sensitive role of human resources in Vietnam, foreign managers once gave input (after being asked) on a staffing matter. Later, they were indirectly, but severely, reprimanded and subsequently refrained from future comments on personnel.

Likewise, foreigners lacked an equivalent to communist party intervention (often behind the scenes) in decisions. The long-term foreign managers thus learned to avoid political discussions. Conversely, the Vietnamese who visited the US never fully understood freedom of the press, having no equivalent themselves (Napier *et al.*, 1997). Such fundamental vacuums in understanding meant that making meaning was more challenging.

Knowledge transfer from Vietnamese to foreign receivers
While the project's main goal the transfer of western business knowledge to Vietnamese, it worked most successfully when transfer was bi-directional. Foreigners could then better understand the Vietnamese context and adjust their approaches. This section discusses how participative competence, organizational atmosphere, and conduit factors differed when Vietnamese shared knowledge with foreigners (Figure 4).

Participative competence of Vietnamese (as senders)
For Vietnamese to succeed at transferring knowledge, they needed confidence in the value of their knowledge (Gupta and Govindarajan, 2000). For example, during the third MBA cohort, the Vietnamese partners argued for experimenting with schedules. By then, they had teaching confidence and wanted to analyze schedule(s) for their own programs. In essence, they transferred a willingness to experiment to foreign counterparts.

Second, the Vietnamese needed motivation to convey knowledge and to believe foreign receivers were willing and able to accept and value it. Research on bi-cultural team teaching (Napier *et al.*, 2002) confirms that foreign recipients must be open to change in joint efforts. Thus, as (some) foreigners showed openness to new ideas, Vietnamese offered them, helping to increase trust and understanding.

Finally, Vietnamese needed the ability to transfer knowledge, which grew as they understood foreigners' contexts. Each core business school member did a fellowship abroad at a university or corporation. That increased understanding of the other context and to better convey knowledge in ways that foreigners could grasp.

Participative competence of foreigners (as receivers)
To receive and use Vietnamese knowledge, foreigners had to want the knowledge, and to become partners and learners. Yet, some foreigners resisted changing from teacher to mentor to partner. They failed to learn and hence, could not absorb (and use) Vietnamese knowledge. They insisted on following the X way (e.g. Australian, American, British) of working, ultimately limiting their effectiveness in conveying knowledge to the Vietnamese.

Those willing to receive knowledge, of course, required an ability to absorb and value it, which included attitude and context understanding, like experience in a developing country. Unfortunately, Vietnam's physical conditions (e.g. intermittent power and water, dangerous traffic, and high heat/high humidity) distracted some foreigners, making them less able to appreciate knowledge from the Vietnamese.

Organizational atmosphere
For Vietnamese to transfer knowledge, their atmosphere had to allow it. Regulation, political controls or cultural patterns sometimes constrained their ability to transfer knowledge; when foreigners ignored such limitations, each side was frustrated at the stoppage or jamming of knowledge flow.

Also, even as their relationship progressed, complete trust never happened. The Vietnamese dislike making mistakes and losing face (Michailova and Husted, 2003), especially in front of outsiders. In the case study, when internal university conflicts arose, business school members sometimes hid them from foreigners. Even when foreigners offered support, their counterparts resisted opening discussion beyond

Vietnamese university administrators and faculty members, again limiting knowledge flow.

Finally, positive atmospheres existed when each side adjusted views of networking. The Vietnamese became willing to open networks (Glisby and Holden, 2003) and allow knowledge flow; foreigners had to accept what seemed like closed networks and realize that knowledge would be slow in coming or would come more indirectly.

Conduit factors

Communication channels and interactive translation had minor differences when the Vietnamese were knowledge senders. For example, while the Swedish funders had mostly a hands off project management policy, foreigners and Vietnamese university managers did interact with Swedish funders. The Vietnamese talked with a Vietnamese diplomat inside Sida and the foreigners interacted with Swedish diplomats to get or convey information. In contrast, USAID insisted on interacting only with the US university contractor, not with the Vietnamese. Thus, the conduit methods and levels varied based upon constituents and informal networks.

Finally, decoding and translating knowledge from the Vietnamese seemed to vary based upon who sent or received knowledge. One project manager frequently asked Vietnamese counterparts for interpretations of decisions or culture. A Vietnamese colleague finally cautioned her: she could ask him questions, but be careful who else you ask. Thus, while certain Vietnamese were willing to share information, others were less trustworthy – both in terms of the content of the information and in terms of whether it would be a confidential conversation.

Conclusions and directions for research

The Vietnamese case study of knowledge transfer contributes to theory and practice in several ways. Interestingly, the ideas apply both for transfer in transition economies, as well as in inter- and intra-multinational firm knowledge transfer. Specifically, the study yielded a more expanded model of knowledge transfer that that builds upon existing research but also develops four aspects. First, it incorporates the notion of stage of relationship between local and foreign (or host and home) counterparts as a factor influencing knowledge transfer. Second, it builds in the concept of perceptive competence on the part of primary knowledge senders (typically, home country based managers) – both in sending and receiving knowledge. Next, it offers more details of each sides' conditions (e.g. participative competence, atmosphere, and conduit conditions) and shows that they vary somewhat. Finally, it argues that knowledge will move from being explicit to both tacit and explicit as relationships develop. More broadly, the case study suggests that knowledge transfer is:

- complex, with starts, stops and loops, not straightforward in its flow;
- bi-directional, even for the primary transfer (i.e. of western business knowledge) to succeed; and
- a long-term process, moving from primarily explicit to ever more tacit knowledge sharing.

The ideas make up a sort of toolkit for managers, regardless of where they may transfer (or receive) knowledge:

- Assess the stage of the interaction between home/host managers to adjust content and format of transferred knowledge.

- Understand that knowledge at early stages will be mostly explicit; tacit knowledge will be accepted and used only as receivers build the capacity for it.

- Recognize and learn to assess readiness/willingness to receive knowledge, ability to understand and use it. If any of those factors are weak, knowledge transfer will fail or be inefficient.

- Create an atmosphere within each side to facilitate knowledge transfer, such as supportive hierarchy, low inter-unit rivalry, creating teams.

- Knowledge senders must persist (longer than they think!) and expect starts, stops, and jamming of knowledge over the course of months and years.

- Primary knowledge senders must develop perceptive competence, to read conditions of receivers and adjust content and format appropriately.

- Both sides will – and should – use multiple methods and levels of communication.

- Realize that communication must be bi-directional and that prior equivalent experiences will enhance the effectiveness of knowledge transfer.

Several areas for future research emerge. First, understanding the knowledge transfer process by stage of relationship would help managers appreciate what is most likely to be received, understood, and used. This would allow planning what types of knowledge to transfer when and to whom. Next, more research on perceptive competence could help senders recognize receivers' state of participative competence, so adjustments of behaviors and methods are more effective during knowledge transfer. Third, organizational atmosphere – both separate and joint – deserves more attention, since hierarchy and organization support is critical for knowledge sharing.

Finally, research on how conduit conditions affect knowledge transfer is important. The idea of multiple communication levels makes sense only if those convey similar messages and if the levels within each organization are communicating. In the present case study, Vietnamese faculty members sometimes felt messages from their senior administration to foreign university administrators differed from the ones they received in their university. Thus, knowledge flows were jammed vertically (within the NEU), even as they appeared to flow horizontally (between NEU and American university top levels). Finally, understanding turning points in relationships could improve interactive translation and smooth ambiguity, interference, and lack of equivalent inherent in any knowledge exchange.

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