

KNOWLEDGE AND BARRIERS TO THEIR TRANSFER TO SMEs

Ramona TODERICIU¹, Alexandra BOANTA²

^{1, 2} Lucian Blaga University of Sibiu

Abstract

Organizations need an holistic approach to knowledge transfer that takes into account factors such as technology, generation gap, cultural diversity, learning styles, etc. The purpose of knowledge transfer is to share useful and valuable information that can be used by organizations to make relevant decisions. In recent years, the good practices used in knowledge transfer have increasingly gained the attention of researchers and managers. This is because business success, as well as the competitive advantage of companies seem to depend increasingly on the importance of creating, developing and transferring knowledge, to optimize organizational goals. So the main purpose of this article is to identify and briefly review a wide range of knowledge sharing barriers that are essential to the efficiency of an SME's activity.

Keyword: knowledge, knowledge transfer, SMEs.

JEL classification: D83

1. Introduction

As stated in many papers and reports published on this domain, knowledge management is fundamental to provide the right people at the right time with the right knowledge or correct sources of knowledge. Therefore, knowledge sharing is probably the most important aspect of this process, because the vast majority of KM initiatives depend on it.

Knowledge management refers to the practices used by organizations to find, create and distribute knowledge to achieve re-use, awareness and learning processes throughout the organization. Knowledge management programs are typically linked to organizational goals and are intended to lead

¹ *Professor PhD, Economic Sciences Faculty/Department of Management, Marketing, Business Administration "Lucian Blaga" University of Sibiu, Sibiu, Romania, e-mail: ramona.todericiu@ulbsibiu.ro*

² *Teaching assistant, PhD, Economic Sciences Faculty/Department of Management, Marketing, Business Administration "Lucian Blaga" University of Sibiu, Sibiu, Romania, e-mail: alexandra.boanta@ulbsibiu.ro*

to specific results such as shared intelligence, improved performance or higher levels of innovation.

2. Knowledge – a strategic asset of SMEs

In the new economy or in the knowledge-based society, learning and knowledge have become key success factors at international level, and intangible resources are of vital importance. The struggle between competing firms has shifted from the tangible resources plan (capital, raw materials, land, machinery and equipment, etc.) to intangible resources, where elements such as knowledge and the ability to use them (knowledge-based management) have a crucial role. Knowledge has become the core resource of companies, the way in which they succeed in gaining power, prestige and wealth in the economy and in modern society. Generating, acquiring and using knowledge is extremely important for sustainable economic, social and cultural development.

When it comes to speak about the organization's assets, knowledge, both tacit and explicit, is the SMEs strategic asset, in the absence of which organizations can't get the added value they desire.

Tactical knowledge can be distinguished from explicit knowledge Chase, R. (1998), in three major areas:

- Coding and the mechanism of knowledge transfer: while explicit knowledge can be encoded, and easy to transfer, tacit knowledge is intuitive knowledge that can't be communicated. Unlike the transfer of explicit knowledge, the transfer of tacit knowledge requires a close interaction between the accumulation of understanding and trust.

- The main acquisition and accumulation methods: knowledge can be explicitly generated by logical deduction and acquired through practical experience in the relevant context. In contrast, tacit knowledge can only be acquired through practical experience in the relevant context.

- Aggregation Potential and Learning Modes: Knowledge can be explicitly aggregated into a single location, stored in objective and learned forms without the knowledgeable subject.

The process of transforming silent knowledge into explicit knowledge is known as coding, articulation. The tacit aspects of knowledge are those that can't be coded, but can be transmitted through training or acquired through personal experience. (Cook, S.D.; Brown, J.S., 1999)

3. The benefits of knowledge transferring process

Transfer of knowledge has always existed in one form or another, through workplace discussions with colleagues, apprenticeship, training and mentoring programs. Since the end of the twentieth century, technology has played a vital role in the transfer of knowledge by creating knowledge bases, expert systems, and other knowledge bases. (Davenport & Prusak, 2000) In order to understand knowledge management and the transfer of knowledge, we consider it useful to examine the differences between data, information and knowledge.

David DeLong's book "Lost Knowledge" describes knowledge as "the capacity for effective action or decision-making in the context of organizational activity." Consequently, loss of knowledge would diminish this vital capacity and undermine organizational effectiveness and performance.

Table 1: Knowledge Transfer Tool

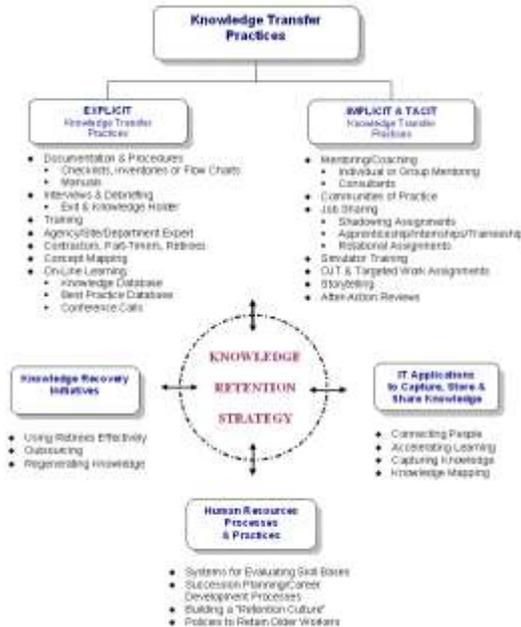
User's need	Knowledge Transfer Tool	
New hire wants to accelerate learning	Formal education Mentoring	Research best practices Internships
Individual wants to improve performance	Online discussion forums Communities of practice Seek out experts	Conversations Research best practices Rotational Assignments
High performer/critical position is leaving	Knowledge capture interview Document processes and information Process mapping Cross-training	Mentoring Job Sharing/Shadowing Facilitated leadership transition workshop
New project team	Peer assist Publish their approach and plan	
Team wants to improve performance	Meetings / conference calls Post mortem Communities of practice	
Organization wants to capture and maintain its knowledge.	Peer assists Knowledge capture process	Cross-organizational community of practice

Source: Adapted from David W. De Long, *Lost knowledge: Confronting the Threat of an aging workforce*, Oxford University Press, USA, 2004

Knowledge transfer programs have a number of advantages and prevent the loss of critical knowledge by focusing on key areas. Some of the immediate benefits of the programs are (Wellman, J. L. (2009):

1. They provide reusable documentation of the necessary knowledge in certain positions or roles of work.
2. They result in immediate learning and knowledge transfer when carried out by people who can use the knowledge transferred or who have the responsibility of engaging, instructing, guiding, training, or leading people in a Organizational unit.
3. Reduce the impact of employee departure.
4. They integrate staff, training, redesigning jobs in the organization.
5. Helps plan the succession.
6. Prevent loss of knowledge by employees when they leave the organization or retire. They increase career development.

Figure 1: Practices used for Knowledge transfer



Source: Adapted from David W. De Long, *Lost knowledge: Confronting the Threat of an aging workforce*, Oxford University Press, USA, 2004

SMEs tend to provide an environment conducive to knowledge generation, mainly because of their size, the unique location of the site and the closer social engagement of employees, which leads to good communication flows and knowledge sharing. Once an SME moves to multiple sites and typically several groups within the same department, the ability to communicate and share knowledge seems to fall rapidly (Chase, 2004). SMEs also tend to be supported and promoted through cooperation and consolidation of relations with mostly local clients, a less bureaucratic structure and innovative culture - often based on the manager's attitude and professional orientation.

4. Barriers in knowledge transfer

When knowledge transfer is desired within SMEs, barriers to transfer may often occur, and these include the following situations (Gamble, P.R., Blackwell, J. 2001):

1. The knowledge transmitter does not recognize the value of certain knowledge or information he holds and therefore the knowledge is not transferred.
2. There is a lack of motivation to share knowledge. It is important to clearly communicate personal benefits to everyone involved. Positive incentives can be cheap and can build the buy-in of the process, but the most powerful motivating and behavioral modeling tool is free, consistent and specific feedback. Including the transfer of knowledge in an employee's work plan raises and clarifies the importance of transferring knowledge.
3. There is a lack of standardized mechanisms or procedures for capturing knowledge. This makes the transfer of knowledge more difficult and time consuming for both the transmitter and receiver.
4. Poor communication skills are another problem. Being an expert at work does not mean that a person can easily explain the processes and pass on essential knowledge to others. It is advisable to use this information when it is possible to identify suitable methods for the transfer of knowledge.
5. The time and cost involved in the transfer of knowledge are daunting.
6. Knowledge is seen as a force - organizational culture undermines the exchange of knowledge. Management support is essential for the decomposition of knowledge. Changing an organization's culture

requires time and effort, but consistent messages supporting knowledge sharing are an organizational priority, and top-down modeling will speed up the process. Managers need to control costs and complete their unit-specific goals, which can leave little time and money for knowledge transfer activities. It is difficult to rationalize the pay of two people to do one job, when cost savings are a priority, or if the best performing people spend valuable time on mentoring or cross-employees for business continuity in the long run.

5. Conclusions

To facilitate knowledge sharing, KM needs to understand the user requirements as well as the complexity and potential issues associated with managing knowledge sources. In general, management needs to implement processes and systems that enable knowledge sharing. They also need to promote a culture of knowledge sharing to ensure that these investments are fully used.

6. References

- Chase, R. (1998), "The people factor", *People Management*, Vol. 4 No. 2, p. 38
- Cook, S.D., & Brown, J.S. (1999), *Bridging Epistemologies: the Generative Dance between Organizational Knowledge and Organizational Knowing*. *Organization Science*, vol. 10, no. 4.
- Davenport, Thomas H. & Prusak, Laurence (2000), *Working Knowledge: How organizations manage what they know*, Harvard Business School Press, Boston, MA
- Gamble, P.R., Blackwell, J. (2001), *Knowledge Management: A State of the Art Guide*, Kogan Page Ltd.
- De Long David W. (2004), *Lost knowledge: Confronting the Threat of an aging workforce*, Oxford University Press, USA
- Wellman, J. L. (2009), *Organizational Learning: How Companies and Institutions Manage and Apply Knowledge*, Palgrave Macmillian.