Using Corporate Universities to Facilitate Knowledge Transfer and Achieve Competitive Advantage: An Exploratory Model Based on Media Richness and Type of Knowledge to be Transferred

M. Suzanne Clinton, University of Central Oklahoma, USA
Kimberly L. Merritt, Oklahoma Christian University, USA
Samantha R. Murray, Lubbock Christian University, USA

ABSTRACT

The knowledge literature suggests that transferring knowledge leads to synergistic cost advantages, better implementation of organizational strategies, and competitive advantage. Organizations are implementing corporate universities to aid in knowledge transfer. There is no standardized definition for corporate universities, but rather models that allow organizations to customize them to meet their training needs. Building on recent work of managing the knowledge transfer process (Murray & Peyrefitte, 2007) and on seminal work on media richness theory (Daft & Lengel, 1986), the authors propose that the type of knowledge to be transferred, and the appropriate media to transfer that knowledge, determine the most beneficial generation of corporate university to achieve competitive advantage. The article presents a model and propositions concerning relationships between the type of knowledge to be transferred, appropriate media selection, and generation of corporate university to implement.

Keywords: Corporate Universities, Knowledge Transfer, Media Richness

INTRODUCTION

In today’s rapidly changing environment, learning for firms is ultimately about staying in business (Miller, Stewart, & Walton, 1999; Sumner, 2003). “Finding ways to embed knowledge in organizational processes and documents, to distribute information and know-how in readily-accessible forms, and to disseminate knowledge and accelerate learning are key challenges facing organizations,” (Mohrman & Lawler, 1998, p.438). The ultimate challenge
lies in exploiting the knowledge that we have at a faster rate than our competitors (Mohrman & Lawler, 1998).

Research has suggested that knowledge is the primary ingredient in gaining a competitive advantage (e.g., Chilton & Bloodgood, 2008; Eldin & Hamza, 2009; Mohammadi, Khalilari, & Sohrabi, 2009; Gnyawali, Stewart, & Grant, 1997; Kogut & Zander, 1992) and that knowledge is a firm’s main inimitable resource (Grant, 1996). In order for firms to maximize the competitive advantage arising from knowledge, knowledge must be effectively transferred within organizations.

The authors propose that an appropriately designed corporate university can maximize the transfer of corporate knowledge. As illustrated in Figure 1, when designing a corporate university, both the type of knowledge to be transferred and the most appropriate type of media for that transfer must be considered.

The development of a corporate university represents a high-profile, creative corporate commitment both to knowledge transfer and to producing strategic advantages by providing faster learning than the competition (Miller, Stewart, & Walton, 1999; Allen, 2002). Additionally, corporate universities lengthen the shelf life of knowledge and help align training with strategic business goals (Sunoo, 1998).

Corporate universities are vital to the individual employee as well. In the new, flexible, decentralized organizational structure, responsibility and authority are pushed downward and all employees are expected to make decisions and contribute to competitive advantage. This organization requires a new breed of workers, ones who can think and do for themselves (Estrada, 1995). As such, advanced education and continuous learning are crucial (Allerton, 1998). The key goal for an organization is to provide its workers with the ability to retool their skills and knowledge continually (Meister, 1998b). Corporate universities allow employers to provide employees the opportunity to increase their knowledge, and in return, employees will take education from the corporate university and give back to the organization through innovation, efficiency and productivity. Therefore, corporate universities afford benefits to both the employee and the employer (Allen, 2002).

However, in order for corporate universities to aid in the knowledge transfer process successfully, several steps are required. First, the organization’s education and training shortcomings must be identified. Second, the organization must decide whether the knowledge to be transferred is explicit or tacit. Third, the organization must select the appropriate communication media for the property or type of knowledge to be transferred. Fourth, the organization must choose an appropriate corporate university model to fit the information processing needs. This process will ensure higher learning outcomes, and therefore help the organization to achieve a competitive advantage.

Although conceptual research convinces us that corporate universities are a viable training tool, what is missing from the literature is instruction in the design of a model. The authors propose that organizations developing a corporate university choose the best fit between media selection and the generation of corporate university, given the type of knowledge to be transferred. Two primary purposes of this article are (1) to present a model demonstrating the benefits of a corporate university when used as a knowledge transfer tool and (2) to illustrate how organizations can utilize the model to improve knowledge transfer and achieve competitive advantage for today and for the future.

In the next sections, the authors discuss the literature that addresses knowledge, the appropriate media with which to transfer the knowledge, knowledge transfer, and corporate universities. Corporate university generations are introduced. A model is proposed illustrating the relationships between the type of knowledge to be transferred, the appropriate media choice for transferring this type of knowledge, and the appropriate generation of corporate university to be implemented. Finally, implications of the model proposed will be discussed.
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