Theorizing on the Role of Individualism-Collectivism in Tacit Knowledge Transfer Between Agents in International Alliances

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ABSTRACT

Taking insights from the extant literatures in cross-cultural management and organizational knowledge management, this paper explores the role of cultural dimensions of individualism and collectivism in transfer of tacit knowledge between foreign agents. Tacit knowledge transfer is positively influenced by four key factors: absorptive capacity of target unit, source unit’s motivational disposition to share knowledge, cultural compatibility, and the extent of personal communication between foreign agents. It is proposed that the level of transfer of tacit knowledge between agents from collectivist cultures will be higher than the level of tacit knowledge transfer between agents from individualist cultures. It is also proposed that when there is cultural difference between foreign agents, the level of tacit knowledge transfer involving a source from a collectivist culture and a target from an individualist culture will be lower than transfer between an individualist source and a collectivist target. However, the proposed relationships are influenced by factors such as nature of knowledge, expectations of reciprocity, and the quality of interpersonal relationship between foreign agents. Several ideas for overcoming knowledge transfer obstacles and enhancing the effectiveness of knowledge transfer, as well as research implications of the proposed model are also discussed in detail.

Keywords: Agents, Individualism-Collectivism, International Alliances, Knowledge Transfer, Tacit Knowledge

INTRODUCTION

Knowledge transfer between representatives of foreign firms that are involved in alliances or joint ventures, or foreign agents, has been a topic of interest and importance for international management researchers and practitioners alike. The concept is important because within the international business context, the success of alliances between foreign partners largely depends upon the ability of the foreign agents, who could be from different national and or cultural backgrounds, to acquire, transfer, and absorb complex knowledge (Becerra, Lun-
Such effective knowledge management could facilitate learning from international partnerships, and be a source of competitive advantage.

According to the knowledge-based view, success of a firm depends upon effective knowledge transfer within the organization (Grant, 1996; Kogut & Zander, 1992; Nelson & Winter, 1982; Spender & Grant, 1996; Teece, 1982; Winter, 1987). Scholars have conceptually distinguished between tacit knowledge and explicit knowledge. Tacit knowledge is implicit knowledge that resides within individuals, and is hard to codify and express verbally since it is “tied to the senses, tactile experiences, movement skills, intuition, unarticulated mental models, or implicit rules of thumb.” As such, “tacit knowledge is rooted in action, procedures, routines, commitment, ideals, values, and emotions” (Nonaka & von Krogh, 2009, p. 363). Explicit knowledge, on the other hand, is the type of knowledge that can be easily codified, acquired through conscious efforts, and expressed, and thus, could be transferred easily (Nonaka, 1994; Nonaka & von Krogh, 2009; Polanyi, 1966; Wagner, 1987).

While culture plays an important role in all aspects of organizational behavior, scholars have mixed views on the impact of individualism/collectivism on effectiveness of knowledge transfer. On one hand, it has been argued that collectivists have greater motivation to share knowledge (e.g., Bhagat, Kedia, Harvinston, & Triandis, 2002; Chow, Deng, & Ho, 2000; Michailova & Hutchings, 2006), but on the other hand, it has also been suggested that collectivism values can impede knowledge transfer (e.g., Khalil & Seleim, 2010; Li, 2009; Su, Li, & Chow, 2010). These conflicting viewpoints inspire several important questions: Could the success of many Asian global firms be contributed to their superior capacity to absorb a particular type of knowledge (i.e., tacit knowledge)? Do individualists and collectivists possess different capacities to absorb different types of knowledge? What factors facilitate or hinder knowledge transfer motivation or knowledge absorption capacity of individualists versus collectivists?

Taking inspiration from these questions, this paper focuses on tacit knowledge, and proposes a conceptual framework that explains how cultural similarity or differences between foreign agents may impact tacit knowledge transfer levels in international partnerships. More importantly, the paper identifies factors that could facilitate or hinder tacit knowledge transfer between culturally similar or dissimilar foreign agents, and proposes several ideas for overcoming knowledge transfer obstacles. Moreover, several research implications are also proposed that could allow us to further advance the literature on knowledge transfer in the international context. The importance of focusing on tacit knowledge is discussed below in detail.

It is important to note that the extant literature on the topic of tacit knowledge transfer between foreign agents has predominantly focused on exploring the ideal conditions under which knowledge transfer between foreign agents could be effective, or whether cultural similarity or differences could influence the effectiveness of tacit knowledge transfer. However, it is important to also explore how cultural similarity or differences between the source and the target may influence the level of tacit knowledge transfer between foreign agents. Having an understanding of this phenomenon can enable organizations to learn how to better overcome the obstacles involved in tacit knowledge transfer, and design or maintain coordination mechanisms to facilitate effective transfer of tacit knowledge. It is particularly important to explore the role of cultural dimensions of individualism and collectivism in the knowledge transfer process, since these dimensions are recognized as the most important dimensions of cultural differences in individual, social, and organizational behavior contexts (Hofstede, 1980, 1991; Triandis, 1989).