Managerial Facilitation of Innovative Knowledge Transfer and Acquisition in a Foreign Subsidiary in New Zealand: Addressing Organizational Cultural, Behavioral, and Technological Challenges

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Attestation of Originality

I hereby declare that this research thesis is my own work. To the best of my knowledge, this work does not contain any written or published material in part or whole by any other person. Borrowed ideas, concepts, and quotations included in this thesis are duly acknowledged, and no material submitted for the award of any other degree, or diploma of a university, or other higher learning is reproduced.

Signature:

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Date: July 2016

Acknowledgements

Personal Motivation and Background

Innovative knowledge transfer is a broad area of study that has kept scholars and executives pondering and researching the best practices to generate and disseminate knowledge for a competitive edge. Knowledge has become the most important asset a company can possess, both in the product and service industries.

This thesis draws on the practices managers have trialed in multinational corporations to create and transfer innovative knowledge to and within subsidiaries. Whether the knowledge is sent from the parent firm or is locally generated within the subsidiary, transmitting it requires robust strategies enacted by capable leadership and loyally committed followers. The transfer and acquisition of innovative knowledge is possible in a collaborative environment that unifies the efforts of all the organizational members working to achieve organizational goals.

This thesis is representative of my curiosity and burning desire to acknowledging that there are always better ways of accomplishing a task, whether at an individual, managerial, or organizational level. Knowing the better way of doing something on its own, however, has dismal benefits. It is acquiring, teaching, and implementing innovative knowledge, through the challenging transfer processes, which leads to the ultimate competitive advantage.

Being an International Business Management student, my interest in seeking to understand the strategies managers and non-managerial staff deploy to acquire innovative knowledge, in foreign subsidiaries in New Zealand, gathered momentum while working for a foreign subsidiary in New Zealand.

By completing this research thesis, my pursuit of a Master's Degree in Business, with a major in International Business Management, enriches my understanding of how leaders and followers can collaboratively create and facilitate innovative knowledge transfer through various challenges. The researched findings of this study could inform and educate executives, supervisors, non-managerial employees, businesses, and academia.

Abstract

The aim of the research was to investigate the synergistic mechanism managers and employees deploy in leader-follower relationships and to facilitate innovative knowledge transfer and acquisition in a foreign subsidiary in New Zealand. Using a service industry subsidiary as a case study, 15 participants, including senior managers, supervisors, and non-managerial employees, were interviewed. The research identified the organizational cultural dynamics, people behaviors, and technological factors that can facilitate or impede innovative knowledge transfer in the service industry.

The extant literature on knowledge transfer and acquisition was reviewed to establish what is already known and what requires further study in relation to knowledge transfer and acquisition using the context of a foreign subsidiary as the setting for this examination.

Using the leader-member exchange (LMX), and transformational and transactional leadership theories, the study considered the management and leadership styles that subsidiary managers employ to respond to and assist employees in facilitating the adaptation of innovative knowledge from the parent firm, as well as locally generated knowledge to a local context.

The key findings are consistent with the current literature on innovative knowledge transfer and acquisition. The study reveals that knowledge transfer is best facilitated in a decentralized organizational culture that fosters open, vertical, and horizontal communication, along with active learning, collaboration, and supportive and motivating leadership. Moreover, training, employees' willingness to learn, and participative leadership grounded in trust and high-exchange qualities in the leader-follower relationships play a central role in knowledge transfer and acquisition. Furthermore, the study found that information technology (IT) greatly facilitates the learning process in the storage, retrieval, dissemination, and communication of the knowledge being transmitted but does not obviate the need for complementary face-to-face personal communication.

The most significant finding of this study is the role of multi-directional trust between leaders and followers and among employees in innovative knowledge transfer and acquisition. Trust based on integrity, honesty, transparency, and consistency enables leaders and followers to be open and receptive to each other in the learning process and sustains the confidence for sharing

even sensitive information among organizational members. However, leaders and followers should guard against high trust leading to an ossified organizational mindset that reduces vigilance and critical analysis of information when everyone is highly trusted.

The findings of this research further the understanding of innovative knowledge transfer and acquisition challenges in the context of a subsidiary organization, and extends the body of knowledge about managers' and employees' behaviors and practices that facilitate knowledge transfer. Subsidiary managers could apply the researched findings on behaviors and practices to train and lead employees to enhance the overall performance of their subsidiaries.

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Chapter 1. Introduction

This chapter provides the research background, justifies the need to research the topic of innovative knowledge transfer, and offers an overview of the challenges associated with organizational culture and behaviors. It further demonstrates the advantages and limitations of the use of technology in knowledge transfer. This chapter also clarifies the research question by exploring its components, including leadership theories, and the study's benefits. This chapter also sets out the structure of the rest of the thesis document.

1.1. Innovative Knowledge Transfer Challenges

Knowledge is one of the most valued assets that multinational corporations (MNCs) constantly seek to transfer across subsidiaries for competitive advantage. However, different organizational cultures can facilitate or impede innovative knowledge transfer from the parent firm to the subsidiary. Similarly, employees' behaviors and the use of technology can drive or hamper the transfer of the innovative knowledge that is locally generated or sent from the parent firm (Andreas, 2007; Matthyssens, Kirca, Pace, Jean & Kim, 2008). Consequently, managers must continuously analyze organizational cultures, employees' behaviors, and technological challenges to provide the leadership and management that assist employees' acquisition of innovative knowledge.

Some organizational cultures facilitate knowledge transfer, while others inhibit it. For instance, regular training, appraisal, motivation, compensation, and promotion increase employees' desire to learn as they reach their career goals. Conversely, knowledge acquisition can be hampered in a subsidiary where managers fail to align knowledge management with organizational goals, while offering insufficient formal and informal space for knowledge generation and sharing (Andreas, 2007; Brewster, Minbaeva, Pederson, Bjorkman, Fey & Park, 2014; Suutari & Minbaeva, 2005).

Attitudes and behaviors, such as valuing knowledge, being open to trying new and better ways of performing tasks or resolving problems, and developing communication and interpersonal skills can facilitate knowledge sharing (Andreas, 2007; Hung, Durcikova, Lai & Lin, 2011; Noorderhaven & Harzing, 2009). Conversely, certain behaviors can impede innovative knowledge transfer and acquisition. These include employees declining to share knowledge, fearing it would jeopardize their positions; valuing explicit knowledge more than tacit knowledge, or vice versa; resisting learning and knowledge-sharing, employees hiding mistakes, and managers

showing zero tolerance for mistakes (Andreas, 2007; Hung et al., 2011; Noorderhaven & Harzing, 2009).

Information technology (IT) plays a vital role in knowledge transfer and acquisition. IT assists organizational and individual learning, processing, storing, retrieving, and sharing critical knowledge (Johnston & Paladino, 2007). However, technological challenges can undermine knowledge transfer and learning. For instance, existing IT inadequately supporting people's work processes and communication flow, a mismatch between the IT systems and processes and people's needs, and the inability to maintain integrated technology can all block knowledge transfer and acquisition (Andreas, 2007; Johnston & Paladino, 2007).

It is also widely understood that knowledge transfer can succeed or fail because of factors such as the subsidiary's prior knowledge, knowledge characteristics (Song, 2014), knowledge integration strategy (Chang & Smale, 2014), the relationship between the knowledge sender and receiver (Chang, Gong & Peng, 2012); employees' reaction, ability and motivation (Hotho, Ritterspach & Helmhout, 2012), communication (Birkinshaw, 1999; Buono, 1997), the use of expatriates (Choi & Johanson, 2012; Hebert, Very & Beamish, 2005), and cultural differences (Sarala & Vaara, 2010). However, since innovative knowledge transfer is not a mere knowledge replication, studying both the complexity of the nature of knowledge and the transfer process is necessary for adopting the appropriate transfer and learning strategies. Tacit knowledge, which tends to be socially embedded and complex, requires a conducive organizational culture, with behaviors and practices that favor social interaction between employees and managers (Teigland & Wasko, 2009). Both the knowledge sent from the parent firm and locally generated knowledge face the obstacles of implementation and adaptation to the local context.

1.2. Knowledge Transfer in Foreign Subsidiaries in New Zealand

In New Zealand, research on factors that facilitate and hamper innovative knowledge transfer and acquisition, and how managers lead employees through the transfer processes in foreign subsidiaries, is in its inception. However, the continued operation of foreign subsidiaries in New Zealand implies that some organizational cultural dynamics, people behaviors, technological mechanisms, and leadership and management styles are being applied to facilitate knowledge transfer and its acquisition. Since there is a very limited amount of literature on knowledge transfer comprising foreign subsidiaries in New Zealand, there is a need to study the

organizational, cultural, behavioral, and technological dynamics that subsidiary employees and managers adopt to facilitate innovative knowledge transfer in this context.

Moreover, the general literature on knowledge transfer and acquisition says little about the leadership and management styles that managers deploy to respond to employees and assist them to acquire and transfer knowledge. Therefore, with the application of the leader-member exchange (LMX) (Graen & Uhl-Bien, 1995), and transformational and transactional leadership theories (Dansereau, Graen & Haga, 1975), this research explores how the exchange quality between subsidiary employees and managers affects innovative knowledge transfer. These leadership theories have been selected because they cover extensively the types of leader-follower interactions that facilitate innovative knowledge acquisition and transfer.

LMX focuses on the quality of the interactive relationship between leaders and followers. Transformational leadership inspires, motivates, intellectually stimulates, and individually and collectively considers employees. Transactional leadership offers contingent reward and management by exception (Birasnav, 2014).

1.3. Research Question

Considering the challenges associated with innovative knowledge transfer outlined above, this thesis has attempted to answer the question:

> *"How do managers and employees facilitate innovative knowledge transfer and acquisition considering the challenges associated with organizational culture, behavior, and technology in a foreign subsidiary in New Zealand?"*

The research question implies that knowledge transfer demands collective efforts and participative leadership, where managers and non-managerial employees work together to achieve organizational goals.

Although organizational culture and behavioral challenges seem to overlap, the two concepts are given separate treatment as research question components, because organizational culture exerts greater influence on employees' behaviors and attitudes. While information technology facilitates learning and information exchange, it has limitations that can affect knowledge transfer. The three components of the research question are also representative of the basic ingredients required in the transfer and acquisition of innovative knowledge. Effective leadership and organizational cultures positively shape employees' behaviors and attitudes, while technology aids learning and information exchange in the communication system (Lai & Lin, 2011; Yang & McLean, 2010).

1.4. Research Benefits

Examining the research question has three major benefits. First, it enhances comprehension of the factors capable of facilitating or impeding innovative knowledge transfer. Second, it extends the body of knowledge on leadership and management strategies deployable to facilitate knowledge transfer. Third, the findings could be applied by subsidiaries' managers and guide staff training, while providing motivating insights for MNC investors aspiring to enter the New Zealand market.

1.5. Scope and Limitations

This thesis focuses on how managers and non-managerial staff can collaborate to establish an organizational culture capable of developing behaviors that enable employees to acquire and share innovative knowledge, with technological assistance. The collaborative process involving managers and non-managerial employees was explored in considering the requirements of the quality of the exchange in the leader-follower relationships.

This research discussed how specific organizational cultures, structures, and climates, matched with appropriate leadership styles, can foster quality exchange in leader-follower relationships to facilitate innovative knowledge transfer. LMX and transformational leadership theories were employed to consider the leader-follower exchanges that favor knowledge transfer. The motivating benefits of contingent rewards in transactional leadership were also discussed.

Regarding limitations, while the findings of this study involve principles that could be applied across industries to facilitate innovative knowledge transfer and acquisition, the unit of analysis is the research case company which is a foreign service industry subsidiary located in Auckland, New Zealand. Limited time and financial resources could not permit the inclusion of a wider sample comprising foreign subsidiaries operating in other industry sectors in New Zealand.

1.6. Thesis Structure

The thesis is structured as follows:

The first chapter has presented the research question, as well as the benefits of investigating the topic of innovative knowledge transfer to foreign subsidiaries, from a New Zealand perspective. The chapter also delineates the scope and limitations of the study.

Chapter 2 reviews the extant literature relevant to knowledge transfer and acquisition in corporate subsidiaries. This chapter defines innovative knowledge and specifies knowledge types in the context of innovative knowledge. The chapter examines organizational cultures and structures, and how employees and leadership behaviors facilitate innovative knowledge transfer. Barriers to innovative knowledge transfer are analysed. Theories relating to leader-member exchange (LMX), transformational, and transactional leadership are also discussed. In considering, further, barriers and facilitators of innovative knowledge transfer, the chapter also examines IT advantages and limitations in this context. Finally, the conceptual framework derived from the literature review is presented in this chapter.

Chapter 3 sets out and discusses the research methodology, specifies the objectives and focus for the study, describes the data collection and analysis process, and makes a case for the reliability and validity of the study. This chapter also shows how ethical requirements were adhered to in the research.

Chapter 4 presents the findings of the study based on the interview data gathered from the participants in the case subsidiary.

Chapter 5 discusses the main findings of the research in relation to the extant literature and the research question, and draws insights from the interview data.

Chapter six concludes the study by summarizing key findings and discussing their contribution to theory and practice. The limitations of the study are highlighted and in light of these and the main findings directions for further research are outlined, followed lastly with concluding comments.

For the purpose of this thesis, the phrase 'knowledge transfer' refers to both the transmission and learning of innovative knowledge coming from the parent firm, or the sharing of the locally generated knowledge. The term 'knowledge' in this study refers to innovative knowledge. These concepts are elaborated further in the next chapter.

Chapter 2. Literature Review

Introduction

The review of existing conceptual and empirical literature defines innovative knowledge, distinguishes knowledge types, analyzes organizational cultures, structures, and climates, and dissects various employee behaviors that can enable or impede innovative knowledge transfer. Additionally, the literature review examines prominent barriers to knowledge transfer and acquisition. The chapter ends with a discussion of theoretical models including LMX, and transformational and transactional leadership strategies.

2.1. Knowledge Transfer

Knowledge transfer transcends mere communication of information or a description of tasks and procedures. It requires an alteration in thinking and actions in the leader-follower relationship. The degree of success in knowledge transfer and acquisition is a key factor in determining organizational effectiveness. It is what the organization comes to know that explains its performance (Argote & Ingram, 2000). Some empirical studies confirm a strong linkage between knowledge management and organizational effectiveness, for instance, knowledge creation and sharing have been found to enhance performance and innovation (Darr et al., 1995; Epple et al.,1996; McEvily & Chakravarthy, 2002; Zheng, Yang & McLean, 2010).

While this thesis focuses on the innovative knowledge transferred from the parent firm to the subsidiary, it also encompasses the innovative knowledge that is locally generated. The teaching and learning of locally generated knowledge occurs through an internal knowledge sharing process.

Teh and Sun (2012) define knowledge transfer as a process in which the exchange of knowledge, skills, and experiences takes place within a department or an organization. The application of the knowledge, skills, and experiences to the employees' tasks improves productivity, whether in a product or service industry. As a result, the transferred knowledge contributes to the business's competitiveness. Similarly, Dyer and Nobeaka (2000) and Hansen and Hass (2007) interpreted knowledge sharing as the activities through which organizational members exchange explicit and

tacit knowledge to boost the overall organizational absorptive capacity, which in turn stimulates the generation of new knowledge, consequently enhancing competitiveness. Knowledge transfer, whether from an external or local source, is achieved when the new knowledge is embedded into the organizational routines, behaviors, and strategic orientations (Grant, 1996; The & Sun, 2012).

2.1.1. The Knowledge-based View

Knowledge is critical in the resource-based view of MNCs because it embodies the potential for competitive advantage (Grant, 2013). Companies treasure the knowledge that is embedded within systems and employees as it can result in a competitive advantage. When knowledge is valuable, rare, inimitable and non-substitutable (Grant, 2013), it can lead to exceptional product creation or service delivery capable of enhancing a company's competitive advantage.

2.1.2. Innovation Defined

Over decades, scholars have grappled with the definitional notion of innovation because it is a complex and multidisciplinary concept. It is important to define innovation in order to grasp the significance of innovative knowledge transfer. However, Baregheh, Rowley and Sambrook (2009) studied various definitions of innovation and distilled them to what they regarded as the most relevant aspects of the concept. They define innovation as the multi-stage process whereby organizations transform ideas into new or improved products, services, and processes, in order to advance and achieve a competitive edge in the market or among competitors. Since there are various dimensions of innovation, the concept of innovative knowledge in this thesis alludes to all forms of innovation, from administrative to technological innovation, and from incremental (small or gradual innovative improvements) to radical or disruptive innovation (major innovative change).

2. 1.3. Knowledge Characteristics

There are three major characteristics of knowledge:

- **Explicit knowledge:** An easily codifiable type of knowledge that can be transferred through formal learning channels (Huysman & Wit, 2004). It is straightforward knowledge. The verbalizability of explicit knowledge simplifies its interpretation and understanding.
- **Implicit knowledge:** The definition of implicit knowledge is elusive. Implicit knowledge is given little attention as most researchers in the area of knowledge transfer tend to classify knowledge under explicit and tacit knowledge types. The consensual views among researchers describe implicit knowledge as difficult to verbalize, but recognizable

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and easier than tacit knowledge to make explicit (Alonderiene, Pundeziene & Krisciunas, 2006). Implicit knowledge is an intermediary between explicit and tacit knowledge.

- ***Tacit knowledge***: A type of knowledge that cannot be easily transferred because it is part of what the knowledge holder is and what he/she does, beyond what is easily articulated. It is what is known but cannot be easily expressed (Howells, 1996; Whisnant & Khasawneh, 2014). Tacit knowledge is transferable through human behavior. Organizational environment factors such as culture, leadership style, employees' attitudes, the degree of training formality, and the level of interaction and socialization within the organization are influential in tacit knowledge transfer (Turner & Makhija, 2006; Rhodes, Hung, Lok, Lien & Wu, 2008; Wong, 2005; Hansen et al., 2005). Tacit knowledge is also characterized by stickiness, taking more time to flow from the teacher to the learner, and requires behavioral and attitudinal changes (Huber, 1991; Song, 2014). Trust in the teacher-learner relationship is crucial as the transmission of tacit knowledge can take a long time because it involves drawing from the knowledge holder's behavioral experiences (Mascitelli, 2000; Smith, 2001; Holtse & Fields, 2010).

This thesis focuses on explicit and tacit knowledge transfer, as the extant literature explores these concepts extensively in the context of innovative knowledge transfer.

2.2. Organizational Culture

To understand the role organizational culture plays in knowledge transfer, it is important to examine different types of organizational cultures. Although there are various definitions of organizational culture, researchers agree on the breadth of its conceptual implications (De Long & Fahey, 2000; Schein, 1990). According to Schein (1990), organizational culture encompasses shared practices, symbols, values and assumptions that govern the appropriate behavior of the members of an organization. His definition includes the physical layout, the way organizational members address each other, the dress code, the archival records, and annual reports and statements. Organizational culture sanctions norms that spell out what actions and behaviors are right or wrong within an organization. It builds a sense of identity in employees and provides written and unwritten guidelines and hidden assumptions on how to behave (Holbeche, 2006, Miron et al., 2004; Cavaliere & Lombardi, 2015). Every firm has a firm-specific organizational culture built from its history and experiences, which constantly evolve to shape its identity.

This thesis focuses on the organizational cultural aspects that facilitate or hamper innovative knowledge transfer and acquisition. Organizational culture, leadership strategies, and employees' engagement influence knowledge transfer (Lombardi, 2015). Since culture evolves in the attempt to create and safeguard the appropriate norms and values, managers need to ensure the organizational cultural evolution aligns with their knowledge transfer strategies.

2.2.1. Organizational Cultural Enablers of Knowledge Transfer

2.2.1.1. Collaboration

An organizational culture that incorporates collaboration reinforces social cohesion and social interaction in all directions in the leader-follower relationship, as well as among employees (De Long & Fahey 2000; Zheng, Yang & McLean, 2010). When employees collaborate at work, they actively assist and support their peers to perform tasks and resolve work-related problems. However, diverse subcultures in different departments within an organization constitute cultural complexities that can hamper collaboration and knowledge transfer (Zheng, Yang & McLean, 2010). Managers, therefore, need to adjust the departmental subcultures to facilitate collaboration and to fulfill the requirements of the knowledge being transferred.

2.2.1.2. Social Interaction and Cohesion

Social interaction has been identified as a prerequisite for knowledge transfer and acquisition (Hotho et al., 2012). The scope and diversity of interactions among employees feature among the key determinants of learning in subsidiaries. Organizations tend to thrive where the leadership styles and organizational structures in place reduce or remove demarcations among organizational members to sustain interactions. A study (Hotho et al., 2012) was conducted in a Dutch company with subsidiaries in the United Kingdom (UK) and Germany, to test the impacts of social interactions on knowledge transfer. The UK subsidiary, which favored social interaction, cohesion, and participatory leadership; promoted open communication and mutual trust from top to bottom. As a result, the subsidiary was more successful than its German counterpart, which permitted little interaction through the chain of command and among employees.

Social interaction is the essence of knowledge transfer as it enables leaders to transmit, using effective communication skills, their knowledge, experiences and skills, to their followers. Social interaction also facilitates the exchange of skills and experiences among employees (Teh &Sun, 2012). Moreover, social interaction cultivates the environment in which employees master the confidence to think freely, express ideas, and envisage solutions to problems, even when their

ideas conflict with those of their leaders. Furthermore, social interaction improves the subsidiary's absorptive capacity (Bass, 1990).

Social cohesion, being the members' attraction to the team, is a powerful psychological force that binds organizational members together (Hogg, 1992). It creates a sense of affiliation and enhances team members' willingness to offer mutual support, and to trust their leaders and colleagues. Consequently, team members supportively share knowledge with one another. Hsu, Ju, Yen, and Chang (2007) confirm that trust-based social relationships significantly influence an individual's attitude towards knowledge sharing. Also, effective communication occurs in social cohesion when team members trust each other and share the commitment to collectively achieve organizational goals.

As for social interaction and leadership, the interaction enhances the leader-member exchange qualities in knowledge transfer. Participative and transformational leadership strategies minimize the demarcation between leaders and followers and open the door of inclusive interactions (Hotho et al., 2012). Managers who establish an organizational culture that favors social interaction reap both the vertical (leader-follower) and horizontal (follower-follower) benefits of the exchange.

Moreover, the use of IT encourages social interaction while facilitating knowledge transfer and sharing (Ryan et al., 2010).

2.2.1.3. Learning and Development

Learning enables employees to acquire new skills, insights, and competence relevant to the execution of their roles (Dirk, 2015). It is through experience, reasoning, intuition, and learning that employees gain knowledge. Knowledge transfer succeeds to a greater extent when managers and employees promote a culture of perpetual teaching and learning. Scores of authors agree there is a direct relationship between consistent learning and successful knowledge transfer (Yang, 2007; Jones, Herschel & Moesel, 2003; Dirk, 2015; Hotho et al., 2012).

Managers and supervisors need to consistently build a culture that highly values learning, where people freely explore new ideas and are given the permission to create and use new knowledge without having their jobs jeopardized. The learning environment prevails when managers keep learning new skills and practices, to set an example for their followers to emulate. Also, leaders need to provide various teaching and learning styles to facilitate knowledge transfer, as different employees learn differently. However, De Long and Fahey (2000) warn that emphasizing

individual power and competition among employees in the learning process potentially leads to knowledge hoarding behaviors.

In subsidiaries, as in other organizations, learning can be achieved at both individual and organizational levels:

- **Individual Learning**

  Although learning can be individually driven, the skills, insights, and competence individuals learn can serve the organizational goals when they are incorporated into the organizational learning strategies. Individual learning is commonly adopted for the acquisition of explicit, straightforward knowledge (Dirk, 2015).

- **Organizational Learning**

  Organizational learning is the capacity or internal organizational process that maintains and enhances performance, based on experience (Dirk, 2015). Organizational learning differs from individual learning because it is not the minds of individuals considered separately, but the participation of all, in learning through social cohesion and interaction.

  Huber (1991) concluded that organizational learning consists of four constructs: information acquisition, information interpretation, information transmission, and organizational memory. At the organizational level, innovative knowledge transfer occurs when the knowledge is integrated and embedded into the organizational process, systems, and routines. The acquired knowledge enhances the overall organizational skills and competitiveness, although the impact of a single piece of knowledge may not necessarily be evident (Teh &Sun, 2012; Tsai, 2001). Organizational learning succeeds in a collaborative environment.

- **Communication skills**

  Communication is vital in knowledge transfer and acquisition because it is the transmission vehicle (Lee et al., 2010; Tuan, 2012). The quality and frequency of communication among organizational members directly affect knowledge transfer and acquisition. Effective communication in knowledge transfer encompasses both verbal

and nonverbal communication aspects. Innovative subsidiaries simultaneously foster vertical and horizontal communications.

From the vertical perspective, leaders who maintain communication with employees build and improve the trust perception in their teams (Lee et al., 2010). Communication paves the way for trust, collaboration, and social cohesion when it freely flows from top to bottom, and vice versa, in the organization. Horizontal communication moves across employees through collaboration. Knowledge-oriented leaders must create organizational cultures that promote open communication for knowledge transfer (Lee et al., 2010). Those organizational cultures are discussed in subsequent sections of this chapter.

It is through communication skills that leaders illuminate organizational goals and the expected outcomes in the transfer of specific innovative knowledge. Although communication contributes to trust development, Te'eni (2001) argued that effective communication develops in a trust and commitment environment.

Communication in the organization can be improved by diversifying communication channels. Face-to-face communication and communication media such as telephone, email, video conference, and so on, are all useful in knowledge sharing and learning. Witt and his colleagues clarified that direct communication involves face-to-face communication, while indirect communication involves the use of technological media (Witt, Bro¨kel & Brenner, 2007). However, leaders and organizational members must competently determine the type of communication tools that suit the transfer of a specific piece of innovative knowledge (Daft & Lengel, 1986; Lee et al., 2010).

2.2.1.4. Motivation and Reward

When managers motivate employees to acquire new knowledge, and reward them for attaining the learning goals, employees experience a sense of pride in their work and gain motivation to tackle future tasks. Motivation works only when managers clearly articulate the value and benefits of the new knowledge (Hung et al., 2011; Wang et al., 2014).

Managers can motivate employees both verbally, and by offering them the tools and technical support they need to succeed in their learning goals. Motivation is important because knowledge creation and transmission is dependent on employees' active engagement in the implementation of the new knowledge. Innovative knowledge acquisition and sharing is greater among employees who are encouraged, evaluated, and rewarded (Wang et al., 2014).

Although the effects of different types of reward used to encourage employees in their learning objectives are contested (Kachra & White, 2008; Song, 2014; Stewart, 2005), it is established that knowledge transfer succeeds in an organization that motivates and rewards employees. Rewards include publicly acknowledging both the innovative knowledge teachers and learners, bonuses, promotion, certificates of high achievement, sponsored vacations, and so on.

The most used types of rewards are economic rewards and reputation feedback (Kachra & White, 2008; Song, 2014; Stewart, 2005). Economic rewards such as salary increases, bonuses, job security and promotions motivate employees to share innovative knowledge. Reputation feedback helps employees improve and maintain their status within an organization. Studies indicate that many people participate in knowledge acquisition and transmission projects believing the process could establish and improve their reputation (Hung et al., 2011). When employees receive public acknowledgement, the reputation feedback motivates them to share more knowledge, and when the status of the knowledge transmitter or learner increases, their knowledge sharing or acquisition performance also improves (Stewart, 2005).

Pecuniary reward, however, rarely triggers the actual knowledge transfer: reciprocity, reputation, and altruism are the conventional currencies that motivate employees to acquire and share innovative knowledge (Song, 2014). Reciprocity enables employees to believe their contribution to knowledge transfer is worthwhile. Reciprocity is a kind of conditional gain where people expect benefits for their actions in knowledge transfer (Kachra & White, 2008). When organizational members share innovative knowledge, they expect this to be acknowledged, and that the knowledge will benefit the company as it furthers the skills and, ultimately, the careers of the knowledge implementers.

Reciprocity also offers reputational advantages to the organizational members transferring knowledge (Kachra & White, 2008). A positive reputation motivates employees to share more knowledge. Altruism rewards the individual sharing of knowledge with the satisfaction that stems from seeing the enhancement of the knowledge recipient's skills as a beneficial asset to the company. Formal training, competence appraisals, merit-based promotion, internal communication, and performance-based promotion are also viewed as catalysts to employees' motivation in knowledge transfer and acquisition (Minbaeva, Pederson & Park, 2003). The extant literature, however, does not sufficiently demonstrate the extent to which these factors motivate employees to acquire and share innovative knowledge.

2.2.1.5 Top Management Support

The support of top managers is crucial to motivate middle managers, supervisors, and non-managerial staff in knowledge transfer. Top managers can contribute to employees' learning by sharing personal experiences, and persuading them to generate and transfer new knowledge. Top managers can also reach down to non-managerial staff and encourage them to share concerns and challenges for solutions.

Studies confirm that knowledge building involves the leader in setting an example by conveying their candid insights and experiences, concerns, personal beliefs and lessons, and by facilitating opportunities for the followers to reciprocally voice their opinions (Levin & Cross, 2004; Lee et al., 2010). These leadership behaviors make organizational members feel safe and encourage them to freely share their hunches, insights, and problems.

2.2.1.6. Trust and Tacit Knowledge Transfer

Trust is an important relational factor that can affect knowledge transfer. Trust strengthens organizational controls and influences how individuals behave in the process of knowledge transfer and acquisition (Rhodes et al., 2008; Turner & Makhija, 2006). Effective knowledge transfer requires trust at both individual and organizational levels amongst the interactants.

Trust also underpins communication among the organizational members. In-depth qualitative studies measuring the degree of trust in project teams identified reliance on fellow organizational members and the disclosure of sensitive information as the major dimensions of trust in team contexts (Hansen & Hass, 2007; Gillespie, 2003; Lee et al., 2010; Mooradian, Renzl & Matzler, 2006; Zand, 1997). Recent in-depth, qualitative and quantitative studies (Boh, Nguyen & Xu, 2013; Casimir et al., 2012; Lee et al., 2010; Casimir, Lee & Loon, 2012) also support the earlier work by Zand (1972), which established the two dimensions of trust: reliance-based and disclosure-based. Reliance-based trust is a person's willingness to be dependable and to depend on others. Disclosure-based trust is the employee's willingness to disclose personal and work-related information to colleagues. The willingness to be dependable and disclose information facilitates knowledge transfer (Casimir et al., 2012; Lee et al., 2010).

Similarly, MacAllister (1995) conceptualized interpersonal trust according to two dimensions: cognition-based trust and affect-based trust. Cognition-based trust depends on the available knowledge, competence, and individuals' responsibilities. Affect-based trust is characterized by emotional bonds between individuals with a mutual expression of concerns, and a belief in the intrinsic value and reciprocity of the relationship. Affect-based trust reduces feelings of vulnerability, while mitigating the fear that the other party may be opportunistic or exploitative in

the relationship (Dewitte & Cremer, 2001; Swart & Harvey, 2011). Affect-based trust leads to collaboration among the team members by lowering uncertainties and fostering risk-taking behaviors (Choi, 2006; Lin, 2007; Madjar & Ortiz-Walters, 2009). Consequently, affect-based trust facilitates knowledge transfer.

However, Erdem (2003), in his earlier work on developing trust, warned that the embeddedness of trust among organizational actors potentially leads to the group-think phenomenon, in which any new knowledge from an external source which does not conform to the internal norms, may be quickly rejected. Also, a high level of trust may reduce vigilance and lead to failure to recognize the incompleteness of critical information in the knowledge being transferred (Song, 2014). Consequently, managers should develop strategies to ensure vigilance about information completeness is maintained in a high trust environment.

2.3. National and Organizational Cultures in Knowledge Transfer

While it is proven that national culture impacts employees' response to the organizational values (Hofstede, 1985; Strese, Adams, Flatten, & Brettel, 2016) pertaining to absorption and diffusion of innovative knowledge, subsidiary leaders are obliged to adopt leadership styles that are compatible with the host culture. However, national culture is subservient to the organizational cultural values that leaders and followers implement to achieve the organizational goals.

New Zealand (host culture) and the UK (parent firm's culture) are both high on individualism cultural dimension and share many similar cultural values (GLOBE, 2004). While the case subsidiary employees are from various cultural backgrounds, the organizational cultural values imported from the parent firm in the UK into the subsidiary do not drastically conflict with the national cultural values of the host country. Consequently, the application of LMX, transformative, and transactional leadership styles favors the acquisition of innovative knowledge sent from the parent firm. These leadership styles also accommodate cultural expectations of the case company's employees from minority cultures in relation to knowledge transfer and acquisition. The purpose of this study, however, is not to gauge the impacts of national culture on the diffusion and absorption of innovative knowledge from the parent firm.

The organizational culture of a subsidiary deserves a meticulous analysis as it can exert a powerful influence on employees during the transmission and acquisition of innovative knowledge.

Clan culture: Nurtures employees' participation, teamwork, loyalty, informality, job rotation, and corporate commitment by rewarding employees on the basis of team achievement instead of individually (Wiewiora, Trigunarsyah & Murphy, 2013)

- A clan culture is conducive to knowledge transfer because it furthers social cohesion and interaction, bolsters participation and a teamwork spirit, and empowers leaders to collectively motivate employees through rewards.

- **Adhocracy culture:** Is dynamic and entrepreneurial, accommodates rapid change, encourages innovation and creativity, decentralizes power; and lets power flow from individual to individual, and from team to team (Wiewiora et al., 2013). The dynamism of an adhocracy culture is consistent with the tendency of innovation to bring change. Its flexibility to embrace change and promote creativity, without a formal control structure in decentralized power, favors transfer and acquisition of innovative knowledge.

- **Hierarchy culture:** Enforces formal rules and policies, maintains structure control coordination, and controls efficiency and stability where strict procedures govern what people do (Wiewiora et al., 2013). A hierarchy culture is not facilitative of knowledge transfer because of the tension it creates through stringent adherence to formal rules and policies that restrict the trial of risky new ideas (Trigunarsyah et al., 2013).

The findings of the studies conducted to test the conduciveness of these organizational cultural types to knowledge transfer, supported the view that clan and adhocracy cultures are favorable to knowledge transfer. The studies also confirmed the reasoning that a hierarchy culture impedes innovative knowledge transfer (Wiewiora et al., 2013).

Denison and his co-researchers (Denison, 1990; Denison & Mishra, 1995; Denison & Neale, 1996; Fey & Denison, 2003) identified four dimensions of organizational culture that determine organizational effectiveness: adaptability, consistency, involvement, and mission. Adaptability refers to the flexibility an organization needs to demonstrate in order to alter behaviors, structures, and systems for survival when the environment changes. Adaptability is important in innovative knowledge transfer as the introduction and application of new ideas into an organization can affect routines and the organizational cultural balance (Denison, 1990; Denison & Mishra, 1995; Denison & Neale, 1996; Fey & Denison, 2003). Therefore, adaptability mitigates the stresses of environmental changes when employees must embrace the routine change.

Consistency points to the degree to which beliefs, values, and expectations are consistently held by the organizational members (Denison, 1990; Denison & Mishra, 1995; Denison & Neale, 1996; Fey & Denison, 2003). Although the introduction of innovative ideas may force changes in some beliefs and expectations, the core organizational values woven in the mission statement must be consistently preserved.

Involvement refers to the level of participation by the organizational members in the decision-making process (Denison, 1990; Denison, 1990; Denison & Mishra, 1995; Denison & Neale, 1996; Fey & Denison, 2003; Fey & Denison, 2003). For example, listening to the views of employees, who are the implementers of the innovative knowledge, even when those views are not entirely acceptable, could partly or wholly inform the decision-making process at the managerial level.

Mission refers to the definition of the organization's purpose that all the organizational members share (Denison, 1990; Denison & Mishra, 1995; Denison & Neale, 1996; Fey & Denison, 2003). While introducing innovative knowledge, organizational leaders and staff must ensure that the knowledge ultimately advances the purpose of the organization. When these four dimensions are satisfied, the organizational culture functions effectively.

2.4. Organizational Structure and Knowledge Transfer.

Robins (1996) defined organizational structure as the formal segregation, classification, and coordination of tasks. Organizational structure indicates the enduring manner in which tasks and activities are organized (Skivington & Daft, 1991). Most contemporary scholars agree that organizational structure is the formal distribution of work roles and administrative strategy for the control and integration of work activities (Abouzeedan & Hedner, 2012; Chen & Barnes, 2006, 2010; Liao et al., 2011; Ho et al., 2012). Organizational structure is classified by diverse taxonomies: simple, bureaucratic, mechanistic (centralized), organic or matrix (flexible/decentralized), and teamwork (Liao et al., 2011). For the purpose of this thesis, the focus is on centralized and decentralized structures because of their empirically-proven impact on innovative knowledge transfer and acquisition.

- **Decentralised Structure**

A decentralized structure encourages communication, motivates employees, and contributes to their job satisfaction (Abouzeedan & Hedner, 2012; Burns & Stalker, 1961; Liao et al., 2011). When power is decentralized, information flows freely, both vertically and laterally.

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Consequently, experts on the subject, regardless of their positions, have a greater say in the decision-making process instead of the designated authority holding all the decision power (Abouzeedan & Hedner, 2012; Burns & Stalker, 1961; Liao et al., 2011). Also, decentralization promotes internal communication (Bennett & Gabriel, 1999), and accommodates innovation (Liao et al., 2011; Miller, 1971) as it facilitates a higher level of creativity (Khandwalla, 1977, Liao et al., 2011).

Studies have revealed that, in a dynamic business environment involving uncertainties, decentralization is preferable due to its orientation towards flexibility and adaptability to change (Liao et al., 2011; Miller, 1971). For a subsidiary to successfully compete in a rapidly changing environment, it needs to develop flexible organizational structures, allowing innovative knowledge acquisition in order to achieve and retain the competitive edge.

Abouszeedan and Hedner (2012), in their study to establish the relationship between organizational structure and knowledge sharing, found that horizontally integrated organizations generate innovation and facilitate knowledge transfer, whereas, vertically integrated organizations hamper innovation and knowledge transfer. For decades, researchers have considered a decentralized structure to be facilitative of innovative knowledge transfer (Damanpour, 1991; Gold, Malhotra & Segars, 2001; Abouzeedan & Hedner, 2012). Consequently, researchers have called for the attention of managers to create decentralized structures for better knowledge management and learning (Davenport & Prusak, 1998; De Long & Fahey, 2000; Islam & Jasimuddin, 2015; Watkins & Marsick, 1996, Liao et al., 2011).

- **Centralized Structure**

A highly centralized structure tends to inhibit interactions among organizational members and obstruct employees' growth and advancement opportunities (Gold et al., 2001). Moreover, a centralized or vertical culture blocks creative and innovative solutions to problems (Gold et al., 2001). These findings are consistent with the recent studies conducted in various MNCs around the globe (Islam & Jasimuddin, 2015; Liao et al., 2011; Minbaeva & Pedersen, 2011).

Another important characteristic of a centralized structure is the high level of formalization, which is an indicator of the degree to which an organization employs rules and procedures to predict and control behaviors (Liao et al., 2011). Formalization is also a way of codifying jobs and observing rules. Chen and his co-researchers (2009) argued that rule observation and rigorous adherence to procedures may prevent employees from creatively utilizing various knowledge generation and transfer mechanisms to innovatively create products or deliver

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services. Conversely, less formal structures present fewer formal rules and regulations. As a result, in a relatively informal structure, employees achieve better communication, have greater flexibility, and become more receptive to creativity and innovative thoughts.

Earlier on, Nonaka and Takeuchii (1995) investigated the outcome of the vertical and horizontal structures in innovation and knowledge sharing. Their findings confirmed that the integration of vertical and horizontal structures yields innovation and knowledge transfer to a lesser degree than an open, fluid, and fully horizontal organizational structure (Namaka & Takeuchii, 1995).

2.5. Organizational and Innovative Climate

Organizational climate is a function of the perceptions organizational members share regarding the organizational procedures, value systems, and common practices (De Long & Fahey, 2000). Subsidiaries that value innovation cultivate an innovative climate by valuing creativity and tolerating mistakes and failure in knowledge acquisition strategy (Chung-Jen, Jing-Wen, & Yung-Chang, 2010). When developing new products or services, an innovative climate encourages employees to take necessary risks through creative activities that convert knowledge into better products and services.

Innovative knowledge transfer succeeds in a positive and supportive climate (Chung-Jen, Jing-Wen & Yung-Chang, 2010; De Long & Fahey, 2000). A positive climate fosters an open, sociable, encouraging, collaborative, and relationship-oriented environment for the organizational members. A supportive climate is the force that binds employees together and enables them to freely share knowledge and collectively achieve organizational goals (Chung-Jen, Jing-Wen & Yung-Chang, 2010). In a supportive climate, employees cooperate and mutually exchange information as they try novel ways of reaching organizational goals. Moreover, in a highly supportive climate, organizational cultural barriers diminish when interpersonal relationships evolve (Chung-Jen, Jing-Wen & Yung-Chang, 2010; De Long & Fahey, 2000).

2.6. Absorptive Capacity and Knowledge Transfer

Cohen and Levinthal (1990), in their founding work on knowledge transfer, defined absorptive capacity as the ability to use externally and internally generated knowledge for commercial ends in product creation or service delivery. Absorptive capacity comprises the dynamic capability of the potential and realized capacity for knowledge absorption. It is the ability to value, acquire,

and apply knowledge. Many scholars agree that a subsidiary that actively pursues knowledge acquisition increases its absorptive capacity (Gupta & Govindarajan, 2000; Minbaeva, 2005). Also, the more a subsidiary learns, the easier it becomes to acquire future related knowledge (Liu et al., 2010).

The notion of absorptive capacity in a subsidiary is important in this thesis because, when transferring knowledge from the parent firm to the subsidiary, the abundance or lack of prior knowledge determines the effort and speed that acquiring the new knowledge demands. When employees within a subsidiary possess knowledge related to the new knowledge being transferred, they tend to exert less effort in absorbing the new knowledge. Therefore, a subsidiary is required to increase its absorptive capacity by constantly learning. Many scholars recommend that subsidiaries should not only expect knowledge from the parent-firm, but should also locally generate innovative knowledge and forge links with external partners to maintain the flow of relevant knowledge for sustainable learning and absorptive capacity enhancement (Kale; Díaz-Díaz & Saá-Pérez, 2014).

Additionally, leadership is an important element that helps sustain the absorptive capacity dynamics within a subsidiary. In order to increase a firm's absorptive capacity, leaders must create organizational cultures that align well with the national culture. Cultural differences can have significant effects on how employees respond to different leadership styles (Flatten et al., 2015). They can also affect employees' responses to the introduction of innovative knowledge. Leaders, therefore, need to apply leadership behaviors that are compatible with the subsidiary's host culture, and facilitative of knowledge transfer (Hofstede, 2001; Lytle, Brett, Barsness, Tinsley & Janssens, 1995; Flatten, Flatten et al., 2015).

2.7. Pro-learning and Counter-learning Attitudes and Behaviors

2.7.1. Positive Attitudes

- **Willingness to learn and share knowledge:** While employees' motivation is an essential factor in learning, their willingness and eagerness to learn are instrumental in the long run. In earlier studies, ego-focused and other-focused emotions were found to be at the center of willingness and eagerness to learn and share knowledge (Aaker & Williams, 1998; Mueller, 1987). Willingness is the degree of drive the knowledge holder has to transfer the knowledge they possess. Eagerness is the strong internal driver to communicate the required knowledge to other organizational members (De Vries, Van

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den Hooff & De Ridder, 2006). Employees are more likely to share knowledge or learn from people with whom they feel positive emotions such as liking and empathy (De Vries et al., 2006). Conversely, negative emotions such as anger and disappointment can smother the willingness and eagerness to learn and transfer innovative knowledge (Cavaliere & Lombardi, 2015; De Vries et al., 2006; Lin, 2007; Van den Hooff, Schouten & Simonovski, 2012).

- **Intensity of effort and persistence:** The process of acquiring innovative knowledge can be long and laborious. Transferring tacit knowledge especially demands time and greater effort. Song (2014) argues that leaders should motivate their followers to persistently exert extensive effort, especially when the knowledge being acquired necessitates numerous practice trials. Moreover, while increasing and maintaining greater effort, patience is required from the leaders and followers (Donate & Sánchez de Pablo, 2015). Patience also leads to tolerance for mistakes that occur in the learning trials. Other researchers confirm that a knowledge-oriented manager promotes a pro-learning culture that is tolerant of learning mistakes (Williams & Sullivan, 2011; Donate & Sánchez de Pablo, 2015; Ho, 2009).

2.7.2. Negative Attitudes

- **Resistance to acquiring new knowledge**

Devenport and Prusak (1998) noted that employees who have worked for an extended time period in an organization tend to find their comfort zone and become reluctant to absorb new knowledge. The reluctance to learn stems from the fear of confronting learning challenges. Recent studies have confirmed that resistance to learning new knowledge is counterproductive to innovative knowledge transfer and acquisition (Abouzeedan & Hedner, 2012; Islam & Jasimuddin, 2015).

- **Knowledge Hoarding**

Hansen (1999) considered the fear of losing power as a driver of knowledge hoarding habits. People who hoard knowledge view it as invaluable for their personal benefit, such as career progression and job security. Similar studies concluded that knowledge hoarders reject sharing innovative knowledge when they view it as power (Boer, Berends & Baalen, 2011; Ipe, 2003; Cavaliere & Lombardi, 2015).

Moreover, an organizational culture that emphasizes individual power and competition potentially leads to knowledge hoarding (De Long & Fahey, 2000). The knowledge holder assumes that sharing the knowledge may give an advantage to his/her competitors.

However, knowledge hoarders can reform if managers apply the principle of reciprocity, which guarantees proportionate rewards for sharing the required knowledge (Jasimuddin, Connell & Klein, 2006). The concept of knowledge hoarding is worth considering because knowledge can be successfully transmitted only when the knower actively participates in the transfer strategy (Suppiah & Sandhu, 2011; Teh & Sun, 2012).

2.8. Barriers to Innovative Knowledge Transfer

It is reasonable to assume the opposite of every enabler of knowledge transfer constitutes a barrier. However, scholars have particularly identified knowledge characteristics as the principal barriers to innovative knowledge transfer (Simonin, 1999; Van Wijk, Jansen & Lyles, 2008). Knowledge, by nature, is an intractable and inherent obstacle to learning. The barrier presented by knowledge characteristics persists, even when the recipient subsidiary has a high absorptive capacity (Dyer & Hatch, 2006). The barrier is even greater when the organizational culture and structure in place conflict with the knowledge transfer requirements.

Innovative knowledge is commonly characterized by its tacitness, ambiguity, complexity, explicitness, specificity, and context dependence (Chen & Barnes, 2006; Simonin, 2004). Causal ambiguity and context dependence are the most important characteristics to consider when designing a knowledge transfer strategy, as causal ambiguity simultaneously emerges from three sources: tacitness, complexity, and specificity of the knowledge (Van Wijk, Jansen & Lyles, 2008; Williams, 2007). Causal ambiguity could also stem from the misunderstanding of the idiosyncratic features of the new context where the innovative knowledge is to be applied (King, 2007; Narteh, 2008).

Numerous studies have stressed the importance of context dependence because knowledge integrates non-knowledge objects such as people and personal networks, which vary between settings (Argote & Ingram, 2000; Dyer & Hatch, 2006; Lam, 1997; Williams, 2007). Consequently, when processing knowledge transfer, it is critical to integrate the differentiated knowledge aspects with targeted collective actions in a subsidiary (Narteh, 2008; Spender, 1996).

Knowledge ambiguity can manifest in two major ways: content ambiguity and context ambiguity; which can lead to uncertainty and equivocality (Narteh, 2008) as explained in the following paragraphs.

- **Content ambiguity**: the vagueness of knowledge being transferred, due to lack of an information component, caused by a high degree of nonverbalization, noncodification, and complexity (Narteh, 2008; Inkpen & Pien, 2006; Williams, 2007). Content ambiguity implies that the knowledge is tacit and difficult to impart because it is embedded in behaviors, values, practices, and actions and is not readily available, accessible, or transferable. Also, complexity can block comprehension of the entire knowledge and hamper transferability. As a result, the leading argument is that content ambiguity could translate into an uncertainty barrier in knowledge transfer (Narteh, 2008; Inkpen & Pien, 2006; Williams, 2007).

- **Context ambiguity**: the confusion caused by high-level specificity of the knowledge being transferred. High-level specificity indicates that the external knowledge or experience being transferred is an incomplete application for the context of the recipient's task (Inkpen & Pien, 2006; Williams, 2007). In context ambiguity, knowledge is usually domain specific and is imperfectly transmissible across different contexts. Moreover, context ambiguity may lead to equivocality because the knowledge specificity implies multiple conflicting interpretations. The danger of divergent and conflicting interpretations is that the misunderstood knowledge could affect intentions, motivations, and the teaching quality between the knowledge source and the recipient (Inkpen & Pien, 2006; Williams, 2007). Greater context ambiguity could lead to a higher equivocality barrier (Narteh, 2008; Inkpen & Pien, 2006; Madhok, 1996).

- **Uncertainty**: the difference between the amount of information an organization possesses and the amount it requires to perform a task (Galbraith, 1977, Narteh, 2008). Uncertainty denotes a gap in information. Uncertainty can be solved by gathering further data to reduce or eliminate the information gap (Narteh, 2008).

- **Equivocality**: also called ambiguity, is interpreting and understanding the knowledge being transferred differently (Draft & Weick, 1984). Multiple and conflicting interpretations of the innovative knowledge typify equivocality. High equivocality leads

to confusion and misunderstandings, thus refuting the attainment of a common understanding. Obtaining more information to resolve equivocality may lead to more equivocality when further divergent interpretations and meanings emerge (Narteh, 2008). The knowledge implementers must share observations, engage in discussions until they forge a common understanding, and agree on a course of action such as establishing routines (Draft & Weick, 1984; Narteh, 2008; Inkpen & Pien, 2006; Williams, 2007).

Although the literature on knowledge characteristics details the resultant barriers, it does not provide generic mechanisms by which highly tacit and complex knowledge should be interpreted to overcome the barriers. It is recommended that the innovative knowledge recipient develops knowledge interpretation strategies capable of reducing barriers resulting from knowledge characteristics. The interpretation mechanisms could consider the knowledge characteristics, uniqueness, source, and the sender-receiver context differences.

2.9. Leadership Styles and Theories

Although various leadership styles are applicable in knowledge management, this thesis focuses on three leadership theories: leader-member exchange, transformational, and transactional leadership. These leadership styles are selected because of their advantages in facilitating innovative knowledge transfer and acquisition. Also, knowledge management and leadership research suggest that transformational and transactional leadership styles are used more than others, sometimes simultaneously, in knowledge transfer (Aragon-Correa, Garcia-Morales & Cordon-Pozo, 2007; Birasnav, 2011; Versa & Crossan, 2004). For instance, to effectively manage the transfer of knowledge featuring both tacitness and explicitness, mixing transformational and transactional leadership strategies would advantageously accommodate the differing aspects of the combined knowledge characteristics. Vera & Crossan (2004) proposed a theoretical model suggesting that effective leaders should know to switch between transformational and transactional leadership styles, according to knowledge characteristics and learning needs. Similar studies revealed that the application of transformational and transactional leadership improves organizational learning (Aragon-Correa et al., 2007; Vera & Crossan, 2004).

Leadership encompasses the ability to build and maintain relationships, manage change, inspire, motivate others and deploy resources in order to attain organizational goals (McCallum, 2009). Modern leadership research heavily emphasizes team structures, collaboration, participative management, and individual empowerment as a result of leadership being distributed among

organizational members (Birasnav, 2014; Lee et al., 2010; Ohana & Meyer, 2010). These leadership features are also compatible with innovative knowledge transfer requirements.

Leadership is crucial in knowledge transfer because leaders are expected to set examples for subordinates to emulate. Effective leadership is a context-moulded relationship between leaders and subordinates. It extends beyond natural traits and the prescription of rules, behaviors, and attitudes (Ohana & Meyer, 2010).

The next section of the chapter focuses on the leader-member, transformational, and transactional leadership theories.

2.9.1. Leader-Member Exchange Theory

LMX theory focuses on the interactive, dyadic relationship between organizational leaders and their subordinates (Graen & Uhl-Bien, 1995). LMX posits that the quality of leader-member exchange relationships influences subordinates' behaviors, responsibilities, decisions, access to resources and performance.

A high-quality LMX facilitates innovative knowledge transfer because of the trust, respect, and mutual exchange it fosters in the leader-member relationships. The exchange stimulates the followers' commitment and loyalty to the leader. Moreover, the high-quality exchange leads the followers to place collective interests over their personal gains, thus facilitating knowledge sharing (Ohana & Meyer, 2010; Wang, Law & Hackett, 2005). The commitment to work, the loyalty to the leader, and the collectivist spirit in a high-quality exchange contribute to innovative knowledge transfer.

2.9.2. LMX and Trust

A high-quality exchange between a leader and follower breeds trust and earns the commitment of both parties (Dirks & Ferrin, 2002; Whisnant & Khasawneh, 2014). The trust-based relationship also engenders respect, where the follower views the leader not only as someone they can talk to, but also as a knowledgeable person who will understand them and offer the required support (Whisnant & Khasawneh, 2014). This trust relationship facilitates an open discussion of the challenges emanating from the process of accomplishing tasks involving innovative knowledge transfer and acquisition.

Moreover, in the trust relationship, the leader offers the emotional support the follower needs. Mutual trust ensures full participation of the tacit knowledge holder and exposes the learner to their experiences (Holtse& Fields, 2010; Levin & Cross, 2004). Trust also improves the quality of

leader-member exchange relationships (Brower, Schoorman & Tan, 2000; Deluga, 1994), thereby advancing knowledge transfer and acquisition (Chowdhury, 2005).

- **Trust in the leader**: Trust in the leader depends on the leader's competence, benevolence, and integrity (Dirks & Ferrin, 20002; Lee et al., 2010). Trust is determined by how well a leader influences others and performs his/her roles, his/her openness and receptivity to his/her followers, his/her expression of genuine concern and care for the followers, and the congruence between his/her words and actions. Trust also facilitates knowledge transfer because of the reciprocity it creates between the teacher and the learner (Becerra, Lunnan & Huemer, 2008; Casimir et al., 2012).

- **Trust in the team**: Knowledge transfer is affected by the trust team members invest in each other. When individual team members conduct themselves competently, and act with honesty and integrity while remaining open and receptive to each other, knowledge transfer and acquisition is facilitated (Levin & Cross, 2004; Chowdhury, 2005; Lee et al., 2010). These studies confirm earlier findings by Zand (1972) that a high trust group in which the members remain open and receptive, share and acquire more innovative knowledge than a low trust group.

2.9.3. LMX and Transformational Leadership.

Numerous studies have drawn the parallel between LMX and transformational leadership, and corroborated the overlap between the two constructs (Basu & Green, 1997; Bettencourt, 2004; Deluga, 1992; Piccolo & Colquitt, 2006; Pillai, Scandura, & Williams, 1999; Tse & Mitchell, 2010; Wallis, Yammarino, & Feyerherm, 2011; Wang, Law & Hackett, 2005). Transformational leadership behaviors impact and maintain the evolving LMX relationships (Wang et al., 2005). Individualized consideration and charisma, which are some of the characteristics of transformational leadership, can determine the qualities of LMX. Moreover, individual focused leadership positively relates to LMX (O'Donnell, Yukl & Taber, 2012).

Another overlapping point of LMX and transformational leadership is the variety of behaviors the leader uses to respond to followers' individual differences and contextual factors, such as abilities, resources, and task structures (Wu, Tsui & Kinicki, 2010). Research has established that transformational leadership and LMX promote relational and organizational identification, leading to knowledge sharing (Carmeli, 2011). Relational identification indicates the extent to which organizational members define themselves in terms of a given role-relationship. Organizational identification denotes the extent to which employees perceive themselves as one

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with the organization they belong to, and define themselves regarding the organization (Carmeli, 2011).

2.9.4. Transformational Leadership Theory

Transformational leadership brings transformation in followers by engaging their hearts and minds (Li et al., 2014). Transformational leadership is believed to facilitate innovative knowledge transfer through both group-focused leadership at a group level, and individual-focused leadership at individual levels (Li et al., 2014). At a group level, the affiliation climate favors knowledge sharing, whereas, at an individual-level, the quality of leader-follower exchange facilitates knowledge transfer. Studies have revealed that transformational leadership facilitates the identification, analysis, and acquisition of knowledge from external sources (Li et al., 2014).

Transformational leadership is critical in knowledge sharing because the charisma and individual attention it commands motivate workers to share knowledge (Li et al., 2014). Transformational leadership unites employees by motivating them to transcend self-interest for the team or organization's interest (Bass & Avolio, 1990). Also, inspirational motivation, being a critical component of transformational leadership, ignites cooperation and mutual support for sharing knowledge within and across the collaborating teams.

Research proves that transformational leadership is preferable in knowledge transfer because of its empowering qualities (Li et al., 2014). Transformational leaders develop high-quality relationships with followers as they share a common fate (Deluga, 1992; Li et al., 2014). The leader aligns with the follower's level in individualized consideration, and, as a result, the follower feels that his/her expectations and needs are considered in the leader-follower relationship. The subordinate reciprocates the leader's support with loyalty.

Transformational leadership compels the leader to create and articulate a vision and inspire followers to cooperate in order to fulfill the vision (Li et al., 2014). The leader does this by setting examples for his/her followers to emulate. Leading by doing increases the subordinates' trust in the leader and unifies both parties in the shared objectives. Consequently, transformational leadership strengthens unity in the organizational climate (Ashforth, 1985; Zohar & Luria, 2005; Zohar & Tenne-Gazit, 2008). While fostering collaboration among followers, transformational leadership offers individualized support to subordinates by listening to them, considering their needs, and providing individual coaching.

Additionally, transformational leadership provides intellectual stimulation (Bass, 1997; Li et al., 2014). When managers intellectually stimulate employees, they teach and encourage them to

change the status quo and find new ways of executing tasks. Transformational leaders teach their followers to accomplish their tasks to higher standards and levels of performance. They demand the best their subordinates can offer (MacKenzie, Podsakoff & Rich, 2001). The expectations of high standards compel the followers to acquire the knowledge required to satisfactorily accomplish tasks.

Moreover, it is established that in transformational leadership, leaders exhibit behaviors that stimulate employees' level of innovative thinking, which leads to better individual and organizational performance (Aragon-Correa, Garcia-Morales, & Cordon-Pozo, 2007; Piccolo & Colquitt, 2006; Birasnav, 2014). Many investigators of the impact of transformational leadership on knowledge transfer have concluded that it enhances individual performance (Dvir, Eden, Avolio & Shamir, 2002; Wang et al., 2005) as well as organizational performance (Aragon-Correa et al., 2007; Peterson, Walumbwa, Byron & Myrowitz, 2009), thus significantly facilitating innovative knowledge generation, acquisition, and transmission (Birasnav, Rangnekar & Dalpati, 2011; Crawford, 2005).

Furthermore, transformational leadership is preferred for the trust that it builds and maintains in the interaction between leaders and followers (Dirks & Ferrin, 2002; Li et al., 2014). Transformational leadership is also critical in knowledge transfer, as it promotes cooperative behavior and respect for subordinates' feelings and ideas (Birasnav et al., 2011).

2.9.5. Transactional Leadership Theory

Transactional leadership is based on a transactional exchange between leaders and followers (Avolio & Bass, 1991 p.97; Flatten et al., 2015). It is a type of leadership that rewards subordinates for satisfactory performance and penalizes them for poor or negative performance. Transactional leadership is comprised of three dimensions: contingent reward, active management by exception, and passive management by exception (Avolio & Bass, 1991 p.97; Birasnav, 2014).

Contingent reward involves goal formulation, role clarification, and consequence determination in case subordinates fail to attain the goals (Flatten et al., 2015; Mackenzie et al., 2001). Contingent reward reinforces positive behaviors, while contingent punishment punishes failure to reach the learning and organizational goals.

Active management by exception behavior requires intensive supervision of employees to identify errors and mistakes in order to take corrective measures. Passive management by

exception behavior intervenes only when employees have made mistakes or errors. Subordinates mainly accomplish their tasks because of the expected rewards instead of the goals' content.

Transactional leadership lacks intellectual stimulation in the individual and collective high exchange that fosters mutual trust between leaders and followers. Even so, transactional leadership is believed to intensify employees' willingness to explore and exploit existing knowledge (Flatten et al., 2015).

The striking difference between transactional and transformational leadership is that the latter, unlike the former, not only facilitates innovative knowledge transfer and acquisition but also generates innovative knowledge (Miller et al., 2007, Donate, Sanchez de Pablo, 2015). Some scholars have called for further research on the role of transactional leadership in knowledge transfer, in direct comparison with the effects of transformational leadership strategy (Zagorsek, Dimovski & Skerlavaj, 2009; Flatten et al., 2015).

Although transactional leadership seems to present fewer advantages than transformational leadership in innovative knowledge acquisition, researchers have established that it positively impacts subsidiaries' absorptive capacity (Judge& Piccolo, 2004; Flatten et al., 2015). The contingent reward aspect of transactional leadership strongly facilitates innovative knowledge transfer, because of the direct gain followers receive when they successfully accomplish tasks (Zagorsek et al., 2009).

Judge and Piccolo (2004), after examining various leadership behaviors, argued that the contingent reward aspect of transactional leadership overrides quality exchanges in transformational leadership because it results in strong motivation, greater performance, and high job satisfaction. Although this view is contested, many scholars seem to agree that contingent reward contributes to organizational learning (Antonakis, Avolio & Sivasubramaniam 2003; Zagorsek et al., 2009).

2.9.6. Theoretical Model.

Based on the literature review, a theoretical framework has been constructed to illustrate the marriage between organizational cultural principles and behaviors and leadership strategies that create and sustain leader-follower exchanges in knowledge transfer.

2.9.7. LMX and Transformational Leadership

Figure 1 illustrates the intersection of LMX and transformational leadership values and principles, which hinges on trust and leader-follower high exchange in knowledge transfer.
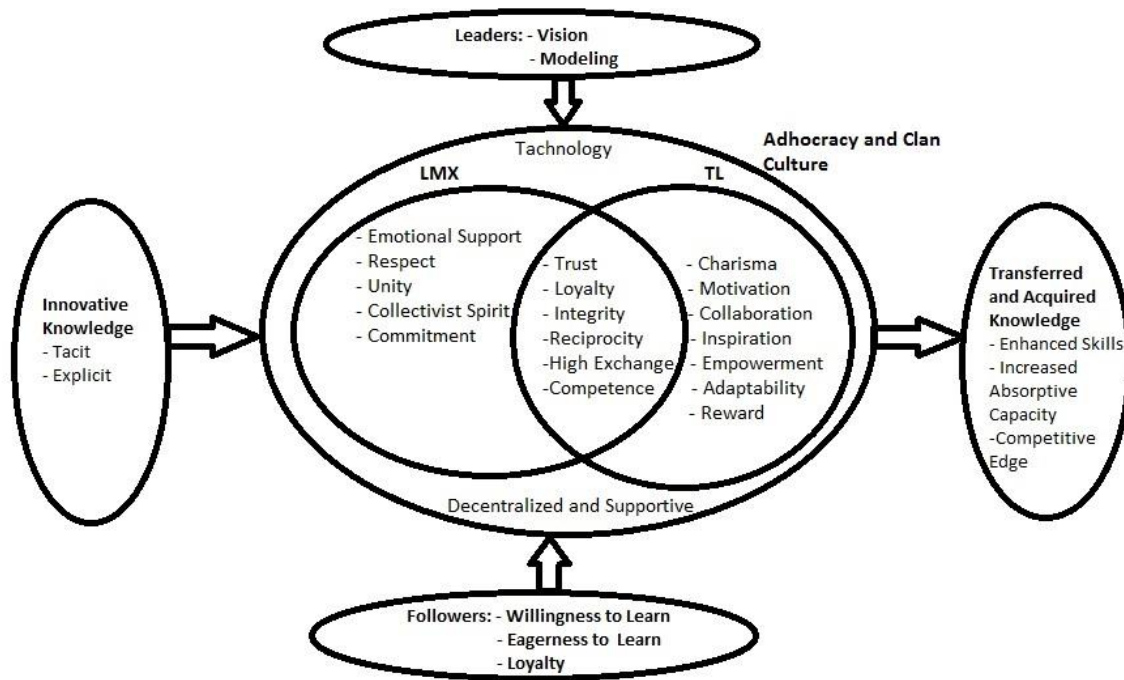
Chapter 2 Figure 1 LMX and Transformational Leadership Framework, by the thesis author

This theoretical framework displays the dyadic relationship between the leader and follower in the LMX relationship. As can be seen, the quality of exchanges between leaders and followers, in the intersecting LMX and transformational leadership segment, reinforces the organizational environment that nurtures the behaviors and practices that affect innovative knowledge transfer. The application of the content of this framework is investigated in this study, and will be compared with the findings and discussion of the interview data from the case subsidiary.

2.9.8. Transactional Leadership

Figure 2 demonstrates the transactional exchanges between leaders and followers resulting in contingent reward when goals are achieved, or contingent punishment when followers fail to reach goals.
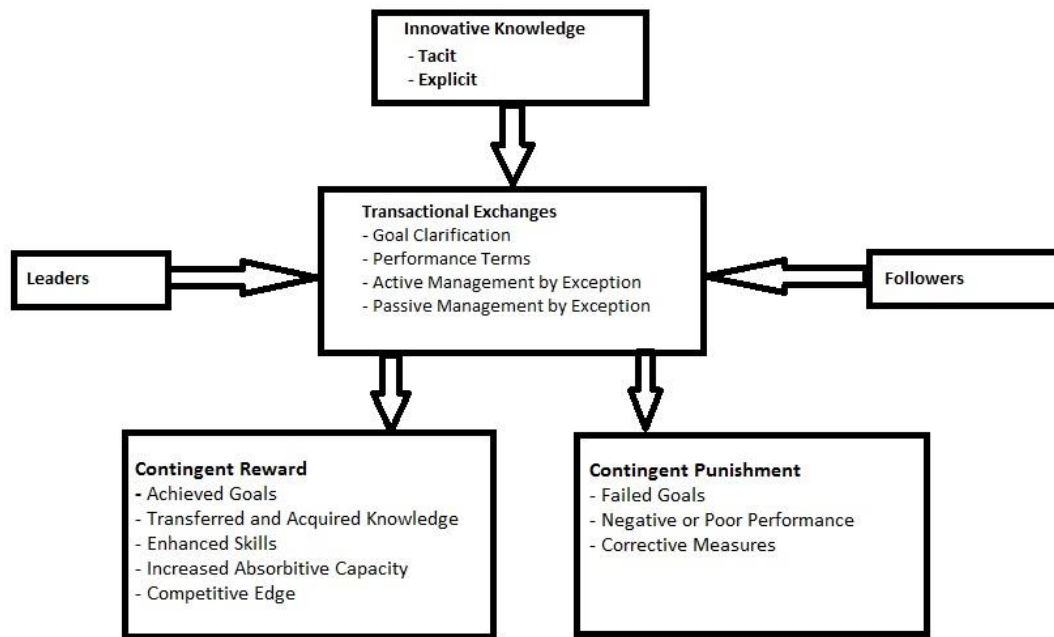
Chapter 2 Figure 2 Transactional Leadership Framework, by the thesis author

This framework provides the basis for comparison with findings from the interview data.

2.10. Information Technology

2.10.1. IT Advantages

Technology refers to the infrastructures of tools, systems, platforms, and automated solutions that enhance the development, implementation, and distribution of knowledge (Chong et al., 2010). This part of the thesis focuses on information technology. Technological tools such as telephone, intranet, email, blogs, wikis and so on, facilitate communications among organizational members (Hearn, Foth & Gray, 2009).

While technology aids knowledge transfer among employees, the transfer is sustained solely when a strong organizational culture and structure encourages knowledge development, transmission, and acquisition (Clarke & Rollo, 2001; Doherty et al., 2010; Hung et al., 2011). A

clan culture supports IT because of its participative nature and the promotion of social interactions among organizational members. An adhocracy culture is also supportive of IT because the cultural flexibly allows the innovative use of technological tools to facilitate knowledge transfer and acquisition.

IT offers many advantages to the organizational structure by supporting access to and distribution of information (Ruggles, 1998). IT efficiently stores and distributes knowledge (Ho, Kuo & Lin, 2012; Nishimoto & Matsuda, 2007). For example, intranets are used extensively for access to, and exchange of, information within organizations.

IT also helps strengthen the relationship between managers and subordinates, as it improves the frequency of communication among them. Moreover, IT aids learning by enabling leaders to provide training and technical support to employees.

Numerous researchers have concluded that technology enhances organizational performance and accelerates knowledge transmission because it facilitates rapid search and retrieval of information while strengthening communication and collaboration among organizational members (Alavi & Leidner, 2001; Ho et al., 2012; Lee & Hong, 2002; Nishimoto & Matsuda, 2007).

2.10.2. Technology Limitations

However, despite various technology benefits in knowledge transfer, many scholars argue that technology cannot substitute face-to-face communication (Dixon, 2000; Ho et al., 2012; Nishimoto & Matsuda, 2007). Interactive learning demands face-to-face communications. In high-quality exchanges among organizational members, technology fails to effectively convey feelings and emotions on a human level. Skyrme (2000) also warned that the application of technology in knowledge codification can filter out the contextual richness, or result in information overload.

Moreover, the recurring need for technological upgrade is another challenge that potentially impedes innovative knowledge transfer and acquisition (Andreas, 2007; Johnston & Paladino, 2007). For instance, when the knowledge being transferred is beyond the capability of the existing technology, knowledge transmission and learning can be delayed or blocked. The mismatch between the available technological tools and processes, and the required communications to transmit specific innovative knowledge, can disrupt its transmission and acquisition (Andreas, 2007; Johnston & Paladino, 2007).

2.11. Literature Review Summary

This literature review has specified key characteristics of innovative knowledge and explored organizational cultural types which engender behaviors that lead to effective knowledge transfer and acquisition. Based on the extant literature, the review has established that clan and adhocracy cultures are conducive to knowledge transfer and acquisition because they nurture collaboration, participative leadership, social interaction and cohesion, teamwork spirit, top management support, rewards, learning, and adaptability to a dynamic, innovative environment. These principles and values are supported by positive attitudes such as willingness and eagerness to learn, intensity of efforts, and persistence.

Also, a decentralized organizational structure reinforces clan and adhocracy cultures by sharing power among organizational members in collaborative, vertical, and lateral exchanges, which enhances creativity in innovative knowledge generation, transfer, and acquisition.

The principles and values applied in clan and adhocracy cultures, supported by positive behaviors and attitudes in a decentralized organizational structure, engender an organizational climate that promotes creativity and a high tolerance of risk-taking in a supportive work environment.

Regarding knowledge transfer and acquisition barriers, the literature review has demonstrated that a hierarchy culture, a centralized structure, resistance to acquiring new knowledge, knowledge hoarding, and knowledge characteristics can hamper knowledge transfer and acquisition. These barriers are addressed by providing organizational cultures and leadership strategies capable of creating collaboration, leading to individual and organizational learning.

While technology aids learning and communication, this review has revealed its limitations and inability to substitute face-to-face communications in high exchanges among organizational members.

Regarding leadership strategies, the literature review has established theoretically that LMX promotes high-quality exchanges between leaders and subordinates by fostering trust, respect, loyalty, emotional support, reciprocity, integrity, unity, modeling, vision articulation, and individualized and collective support by the leaders. These characteristics of high-quality exchanges in the leader-follower relationship translate into a strong organizational capability for effective knowledge transfer and acquisition.

Moreover, the review has shown that transformational leadership engages employees' hearts and minds, values team interest, charisma, inspirational motivation, and cooperation, and offers

mutual support. It has also demonstrated that the marriage between transformational leadership and LMX breeds trust; which hinges on high-quality exchanges in the leader-follower relationship. The combination of trust and high-quality exchange facilitates innovative knowledge transfer and acquisition.

Finally, the literature review has confirmed that transactional leadership contributes to knowledge acquisition through contingent rewards and improves subsidiaries' absorptive capacity.

Considering the outcome of the literature review, there is a valid basis justifying the need to address the question of how innovative knowledge transfer and acquisition is facilitated in a foreign subsidiary. Given the particularities of different country cultures, it is pertinent to examine whether and how the findings reviewed from literature apply in a specific context. The results may extend and enrich the current knowledge of innovative knowledge transfer and acquisition beyond a narrow range of country setting. Such knowledge may deepen the understanding of the theoretical and practical considerations in facilitating knowledge transfer, particularly in parent-subsidiary contexts.

Chapter 3. Research Design/Methodology

Introduction

This chapter describes the research design and methods deployed to collect and analyze data in order to address the research question regarding factors facilitating the transfer and acquisition of innovative knowledge in a foreign subsidiary. The chapter specifies the research focus, the study approach, data collection process, adherence to ethical requirements, and the management of limitations in the study.

3.1. Focus and Objectives

Considering the research question, the objective of this study was to identify and analyze the combinative mechanisms that subsidiaries' managers and non-managerial employees adopt to facilitate innovative knowledge transfer. The examination of those mechanisms demanded focus on the following research question components:

- The organizational cultural aspects that can facilitate innovative knowledge transfer

- The employees' behaviors and attitudes that can enable knowledge transfer

- The information technology advantages and limitations in knowledge transfer

- The leadership styles that can facilitate innovative knowledge transfer

While knowledge transfer from the parent firm to a subsidiary is a multidimensional process with numerous requirements, such as maintenance of good relationships between the parent firm and the subsidiary, the creation of appropriate knowledge transfer channels between the two parties, the use of expatriates (Choi & Johanson, 2006; Hebert et al., 2005), and so on, this study focused on what managers and employees do at the subsidiary level to facilitate the transfer of in-coming innovative knowledge. Also, the study focuses on sharing locally-generated, innovative knowledge within the subsidiary.

The research examines the established knowledge transfer enablers and blockers in the reviewed literature, discussed in Chapter 2 and presented in Figures 2.1 and 2.2, to understand whether

those elements are applicable to knowledge transfer in a foreign subsidiary in New Zealand. Based on the research findings, the study aims to elaborate existing theories around the facilitators of innovative knowledge transfer and acquisition.

3.2. Study Approach

The research was conducted following a qualitative research approach involving a single case study in New Zealand. Interviews were used for data collection, being identified by Yin (2003) as appropriate for research involving the study of concepts, behaviors, and values. The study poses the question of "how," which constitutes a basis for developing theories requiring testing for further theory development (Yin, 2003). The study falls within the case study methodology, using qualitative research methods because it investigates organizational cultural elements, leadership, and management practices rooted in beliefs, values, behaviors, attitudes, processes, and experiences that cannot be deeply explained or understood numerically. Also, qualitative research is capable of providing rich, thick descriptions of such interactive processes (Richards, 2009).

3.3. Data Source

Data collection through semi-structured interviews was conducted in a foreign subsidiary that runs prisons in New Zealand, one of which is located in Auckland. The case company was selected as it embodies the ideal foreign subsidiaries' characteristics in New Zealand. The subsidiary belongs to a MNC, which is spread over 30 countries around the globe and specializes in services delivery. The subsidiary's parent firm is headquartered in the UK.

The Auckland-based subsidiary manages prison operations and processes that require innovative knowledge coming from the UK-based parent firm, and regional sister subsidiaries, as well as acquisition of locally generated innovative knowledge. Moreover, employing approximately 200 people across different departments, the chosen subsidiary has leadership and management strategies that present a viable case of innovative knowledge generation, transfer, and acquisition. The parent firm and the subsidiary are located in Anglo-Saxon countries with very similar cultural values and they passionately share innovative ideas. These descriptive characteristics of the subsidiary qualified it for the research project.

Furthermore, the service industry subsidiary was selected for four main reasons. First, because it shows signs of pursuing innovation and considers it to be a path to competitive advantage. Second, being a foreign subsidiary in the service industry in New Zealand, the company incorporates a relatively high volume of both explicit and tacit knowledge embedded in

processes, values, behaviors, and attitudes. Third, it employs leadership and management strategies governing people, operations, and processes involving innovative knowledge transfer and acquisition. Fourth, the subsidiary expressed interest in the topic of innovative knowledge transfer and granted access to the researcher. It is often difficult to gain access to businesses for research in New Zealand as they are typically overwhelmed with research requests (many from student researchers in a small country with fewer foreign subsidiaries).

3.4. Sample Overview

Table 3.1 presents a summary overview of the interviewed participants. It indicates the participants' position categories, key roles, total number by category, and the minimum number of years they have worked in the subsidiary. All of the participants qualified for the interviews because they are either directly involved in innovative knowledge transfer and acquisition processes, or are sufficiently exposed to innovative knowledge application.

Participants' Characteristics

Positions	Key Roles	Total
Senior Managers	Planning and directing operations	5
Supervisors	Supervising non-managerial employees	6
Non-managerial staff	Executing new and routine tasks	4

Chapter 3 Table 3.1 Participants' Characteristics

3.5. Primary Data Collection

The data collection involved semi-structured interviews. Yin (2003) established that the semi-structured interview is a reliable way of starting open discussions that lay the foundation for the identification and analysis of emerging themes, in relation to the question being researched. Also, parallel or totally unrelated themes can emerge to form fresh avenues that are worth investigating. For these reasons, semi-structured interviews were well-suited to the kind of data being sought to address the research question.

The research participants were selected by way of purposive sampling (Bryman & Bell, 2011), which was advantageous for sampling different categories of participants for a better cross-section of information. Moreover, purposive sampling assisted in the progressive move from the initial critical sampling to an expert sampling stage, with targeted questions that addressed important emergent themes as the interviews progressed.

As shown in Table 3.1, 15 semi-structured interviews were conducted among the sample of participants that comprised five managers, six supervisors, and four non-managerial staff.

3.6. Interviews

The semi-structured, face-to-face interviews were separately conducted at different neutral locations and times and at participants' convenience, to avoid workplace distractions. Each interview lasted on average for one hour and produced between 15 and 22 transcribed pages.

The interview questions were themed to cover the four areas of major which were derived from the reviewed literature, and which informed the research question and its components as specified in the research objective and focus section of this chapter (see Appendix 3 for interviewing guide). The interview questions were also guided by the conceptual framework (Figures 2.1 and 2.2 in Chapter 2) derived from the literature review. The interview questions primarily centered on the identification of the factors capable of enabling and blocking knowledge transfer and acquisition, and how managers and employees enact the enablers while mitigating or eliminating the barriers to attain the knowledge transfer objective.

The semi-structured interview questions were open-ended to sufficiently exhaust the wide topical areas of the research question and to allow unexpected themes and concepts to emerge from the interviews (Bryman & Bell, 2011).

All interviews were digitally recorded and professionally transcribed for accuracy. After cross-checking the interview transcripts with the audio recordings, the transcripts were sent back to the interviewees for validation (Bryman & Bell, 2011). The interviewees validated the transcripts without any significant additions to, or subtractions from, their statements.

3.7. Data Analysis

This study employed thematic analysis based on the semi-structured interviews. Patterned responses and meanings formed the basis for identifying emerging themes (Bryman & Bell, 2011). The topics explored in the literature review in Chapter 2 both directly and indirectly informed the identification of the themes. The recurring patterns of concepts, factors, and issues relating to the literature review topics were also discussed and identified in the participants' interview data, and served to build up the themes. The subsequent data analysis did not ignore contrary but non-representative views (i.e. those held by one or a few individual participants that differed from the majority's perspectives) from the data.

Although there was a significant amount of data to analyze, coding and theming by hand was possible. Excel spreadsheets were used for data entry and management. Four main concepts emerged through the comparison between the extant literature and the collected data, as explained in the Reliability and Validity section of this chapter, and were retained to address the research questions, build theory, and inform best practices. The key concepts were: *organizational cultural behaviors enabling knowledge transfer, leadership behaviors enabling knowledge transfer, barriers to knowledge transfer, and information technology roles and limitations in knowledge transfer.*
These key concepts will be discussed in the findings and data analysis chapters.

3.8. Reliability and Validity

The literature review approach and the interview questions delivered a dataset which specifically addressed the research question and the propositions. As a result, a predisposed approach to the data analysis was formulated (Richards, 2009). The predisposed approach, based on the literature review and the research questions, assisted in the validation of the dataset through triangulation that comprised an iterative process (Richards, 2009) whereby the primary data was constantly cross-checked with the literature review discussions and aligned with the resulting models for the study, as well as through data verification by the participants. The validity of this study is also based on the rigor achieved with prolonged engagement, persistent observation, thick, rich description, and triangulation of the interviews data (Morse, 2015).

3.9. Ethical Issues

Any research that necessitates collection of primary data is subject to ethical considerations. The researcher's key responsibility is to ensure that the participants are well-informed about the purpose of and reasons for the study and that they fully understand their privacy and confidentiality rights (Yin, 2003).

This research project gained the approval of the AUT University Ethics Committee (AUTEC) prior to the commencement of the study (See Appendix 1).

Before undertaking interviews, the participants received information clarifying the purpose of the research, and detailing the process the study would follow. They were given the freedom to voluntarily participate in the study, or to discontinue participating at their discretion. The participants were assured that their privacy in the data reporting, and the confidentiality of the information they disclosed, would be fully respected. The participants were also assured of the security of the data storage. The research project was advertised through emails to potential participants without coercion and they voluntarily chose to participate in the project. All of these requirements were explained in an information sheet sent to the participants before initiating the interviews (See Appendix 2).

3.10. Study Limitations

In order to offset the time and financial limitations, the research was designed to be of a scope that met the allocated timeframe for completion, using a modest budget, without compromising the data quality and analysis. Also, while the small sample size and the scope of the research constricted the applicability of the results beyond the context of the study, the literature review and the iterative triangulation approach utilized to analyse data, as explained in Section 3.9, reinforced the validity of the research results as they apply in the particular context of the study.

3.11. Summary of the Research Process

The table below summarizes the study process.

No	Activities	Results
1	Literature Review Methodology conception	Research question formulation Qualitative research -Semi-structured interviews
2	Subsidiary Selection	Participants expression of interest
3	Interviews -Cross-checked transcripts -Interative process	Transcripts -Validated transcripts -Further reading of transcripts
4	Data Analysis -Interative process	Coding -Theming
5	Further Analysis -Interative process	Findings
6	Findings Analysis -Interative process	Discussion
7	Conclusion	Key findings -Business implication -Study limitations -Future study avenues
8	Methodology chapter	Fresh overview on the research process

Chapter 3 Table 2.2 Research Process Summary

This chapter has specified the study design, focus, and objectives in line with the themes derived from the conceptual framework. The chapter further elaborated the study approach, chiefly the qualitative approach and semi-structured interview method used in the data collection and analysis processes. The chapter has described the sampling procedure, and the iterative triangulation technique employed for data analysis to ensure validity and reliability.

The chapter has also discussed the ethical issues in the study and explained how these were addressed.

The next chapter presents the findings from the interviews.

Chapter 4 Findings

Introduction

The findings of this study are presented following the four themes stemming from the research question, which were informed by the literature review and data from the interview questions. The participants consisted of managerial and non-managerial employees. As the responses of the two categories of participants were similar or the same for most of the interview questions, the findings for both categories are presented together in this chapter, with any notable differences highlighted in the discussion of the findings in Chapter 5. First, this chapter highlights the findings on organizational cultural behaviors facilitating knowledge transfer. Second, it outlines leadership behaviors that facilitate innovative knowledge transfer. Third, it presents the elements participants identified as inhibitors of innovative knowledge transfer. Fourth, it reveals the findings concerning the advantages and limitations of information technology (IT) in innovative knowledge transfer.

4.1. Facilitators of Innovative Knowledge Transfer

4.1.1. Organizational Cultural Behaviors Enabling Knowledge Transfer

When asked how the company should be organized to facilitate communication and the flow of innovative knowledge from top to bottom, nine of the participants recommended a flexible hierarchy of well-known leaders to whom employees can easily and swiftly report, without going through a lengthy and complex bureaucracy.

> *"There must be a visible ladder of supervisors and managers that is clear and easily accessible. And climbing the ladder should not be difficult when the top executives should be reached. Without such ladders, there would be chaos when everyone wants to run to the director with every minor issue".*
> [Interview 2]

However, although managerial and non-managerial participants suggested that the organization should have a flexible hierarchy, four of them cautioned against the danger of non-managerial staff using the flexibility to jump several ladders to talk to the senior executives without approaching their immediate supervisors or line managers first. The subsidiary managers explained that the subsidiary has an evaluative mechanism that supervisors and middle-managers employ to filter through difficult questions they are unable to immediately address. Allowing

non-managerial employees to reach the top managers with difficult questions gives them the freedom to beneficially utilize their time to resolve more complex organizational and leadership issues, such as designing security strategies and promoting educational programs. The managerial employees stressed that they strive to eliminate bureaucracy by making it easier for non-managerial employees to communicate with top executives whenever necessary.

The participants also commented that the case subsidiary organizes fortnightly or monthly meetings, besides daily morning briefings, in which top managers meet with non-managerial employees. In those meetings, non-managerial employees are encouraged to ask questions, or make comments, and the leaders share their experiences and insights to inspire employees to resolve issues related to the projects involving innovative knowledge. This practice also reinforces the subsidiary's determination to facilitate vertical communication between non-managerial employees and top managers.

Additionally, the interviewed managers stated that they create champions from among non-managerial staff who can rapidly capture innovative knowledge and disseminate it to other departments. They rotate employees within and across different departments to expose them to different levels of innovative knowledge transfer. The managers also view these practices as empowering employees. The managerial employees commented, drawing from their experiences, that when they raised champions among non-managerial staff in the subsidiary, they realized an increase in interaction among the workers. These managers confirmed that champions serve as trainers and interaction facilitators among employees, and reach workers at the lowest departmental levels.

Some managers stated that it might sometimes be necessary to take champions to headquarters or other locations of external knowledge sources within and outside the multinational corporation network for training. The managers stated that the decision to send champions to learn from external sources should be based on the cost of training them, and the value of the innovative knowledge to the subsidiary. The champions facilitate both vertical and horizontal interactions among employees, as they help explain to leaders the challenges employees encounter during the application of the knowledge being implemented, as well as assisting non-managerial colleagues in addressing the challenges.

4.1.2. Organizational Behavior

4.1.2.1. Collaboration and Consultation

Another notable organizational behavior reported to facilitate innovative knowledge transfer is collaboration. More than half of the participants identified collaboration as inviting the contribution of others and cultivating a sense of mutual support in a teamwork spirit. The interviewees acknowledged that collaboration should involve consultation with non-managerial staff for their opinions. Managers and supervisors suggested that non-managerial employees should be consulted both individually and collaboratively depending on the complexity and ramifications of the issues being discussed. For instance, some managers commented that when consulting employees for opinions to implement procedural changes involving innovative ideas, they should be consulted collectively through surveys.

> *"If there is collaboration, the learner, I think, is going to be open and will want to apply the new knowledge because he/[she] will be confident that there is enough support for him[her] from his/[her] leaders and peers."* [Interview 14]

Both managerial and non-managerial staff acknowledged that collaboration is essential for collective application of innovative knowledge in the subsidiary. Managers view collaboration as the ability to lend mutual support in order to achieve organizational goals involving innovative knowledge transfer. However, some non-managerial staff commented that when leaders and supervisors collaborate with non-managerial employees, the collaborative relationship can potentially derail into micromanaging. These participants explained that, while they expect technical as well as directional support from their supervisors, they appreciate it when the leaders solely offer the required support and give them the freedom to proceed independently with the knowledge implementation. Both managers and non-managerial employees argued that micromanaging sabotages employees' confidence and the opportunity to fully experience the challenges of implementing the knowledge. However, a manager acknowledged that she micromanages some employees when following delicate processes leading to outcomes that can potentially cause reputational damage or a substantial loss to the company.

Moreover, managers and non-managerial employees stated that collaboration improves communication. When employees team up to reflect and envisage solutions to problems, they collaboratively exchange ideas. The collaboration strengthens social cohesion and interaction. Furthermore, some non-managerial employees qualified collaboration as a means by which peer-influence permeates the collaborating group. In a collaborative environment, employees in the case organization assist each other to overcome learning challenges. As a result, they strengthen

the slow learners in the group. Consequently, individual learning translates into organizational learning and determines the subsidiary's absorptive capacity. The interviewed managers and supervisors also noted that it is the accumulated knowledge of individual organizational members that translates into organizational knowledge. The organizational knowledge stock enables organizational members to absorb future-related knowledge with less effort.

Regarding consultation, managerial as well as non-managerial employees argued that the fluidity and swiftness of interaction within the subsidiary reinforce collaboration among employees. However, some non-managerial participants expressed frustration about a lack of, or inadequate, consultation in the subsidiary during the introduction of some policies and procedures. These participants stated that they feel valued when consulted, even if not all their opinions are considered in the final decision-making process.

Some managerial staff stated that consulting non-managerial employees has several benefits. First, non-managerial staff, being the implementers of the innovative knowledge, could have insights that managers missed from the practical perspective. Second, having practical experience, non-managerial employees can suggest better alternatives to certain aspects of the knowledge implementation. Third, consulting non-managerial employees stirs enthusiasm among them and strengthens the teamwork spirit. A supervisor remarked that not consulting non-managerial employees who would be heavily involved in the implementation of the innovative knowledge can create the impression of ideas being imposed on them, consequently engendering resistance. Managers identified these benefits from the consultation practices they promote in the subsidiary.

One manager, however, cautioned that a wide consultation with non-managerial employees could hit a roadblock created by some employees who may dislike the implementation of the innovative knowledge when it clashes with their personal interests. For instance, to avoid the discomfort of changing routines, some employees could emphasize potential obstacles to the implementation of the innovative knowledge being introduced. The manager commented that leaders need to negotiate with such employees and persuade them to implement the knowledge on a trial basis in order to pragmatically evaluate what the implementers claim to be an obstacle. The subtle indifference of some non-managerial employees, which tends to discourage knowledge implementation for personal interests, is a form of resistance to knowledge acquisition addressed in the later section of this chapter.

To the question of whether consultation with non-managerial employees should be individual or collective, most managers and supervisors responded that the decision would depend on the knowledge complexity and ramifications. For instance, managers revealed that when planning to implement complex procedures about prosecuting and reducing inmates' violence in the case subsidiary, obtaining only expert views from non-managerial employees, who better understand the issues involved, is beneficial. Even so, for a collective consultation, both managerial and non-managerial staff agreed that surveys, emails, and letters in a suggestion box could be useful means of reaching numerous employees in a short time period. Conversely, some supervisors remarked that consulting employees individually gives them the freedom to express concerns that they would not mention in group meetings.

4.2. Employees' Behaviors and Learner's Qualities

The interviews also revealed that a conducive organizational culture instills in employees the qualities that make them more absorptive of innovative knowledge. The most common qualities both leaders and non-managerial employees cited are open-mindedness, willingness to learn, patience, respect, humility, inquisitiveness, and persistence. Ten of the 15 participants suggested that an innovative knowledge learner needs to have an open mind and a strong desire to learn. For instance, an interviewee stated:

> "*They need to have an open mind. If they are just focused on one way of doing things, they are not going to experience positive changes. They need to be open to different ideas, even negative ideas; they need to consider them because something good may come out of them.*" [Interview 6]

4.2.1. Strong Desire to Learn

Among the behaviors absorbers of innovative knowledge should develop, interviewees identified open-mindedness and a strong desire to learn. Some managers noted that the subsidiary has built a culture that impresses on employees, right from their induction, the need for constant learning. A manager revealed that one of the recruitment criteria the subsidiary cherishes is the applicants' inclination to learn. Successful applicants are encouraged during induction to keep learning after their probation period. Some managers stated that to perpetuate the learning culture, they also keep learning in order to set an example for non-managerial employees to emulate.

However, a supervisor further stated that, while showing employees how to apply innovative knowledge, it is wise to let them discover other ways that might be more comfortable for them to learn. Some non-managerial staff appreciated the balance some supervisors in the subsidiary

maintain between showing them "how to" and giving them enough freedom to explore other ways of implementing a piece of innovative knowledge.

Managers and supervisors also reported that the subsidiary sustains the learning culture by creating innovative ideas locally, in addition to the knowledge received from the headquarters and sister subsidiaries. For instance, a manager commented that both managerial and non-managerial employees continuously ponder ways to improve various aspects of security and safety among the case subsidiary clients.

Some managers and supervisors revealed that recognizing employees' individual talents and perceiving their learning needs are ways to trigger their desire to learn. Two managers clarified that a leader should engage the learner and listen, without judging too soon, to recognize what he/she thinks is required for the learning betterment. The conversation should lead to the leader's assessment of the employees' learning needs and delivering the required support. These managers pointed out that learning needs could include various resources such as a quiet learning space, allowing more time, extra coaching in time management, providing a different learning or training partner, bringing in an external expert, and so on. However, a manager noted that it is better to involve the learner in determining what he/she requires to enhance learning. Some non-managerial staff stated that when their leaders seek to understand their learning needs, they think the leaders are genuinely interested in their career development. As a result, they feel passionate about learning.

Managerial participants stated that another way they kindle employees' desire to learn is by expressing the objective to see them grow professionally. A manager revealed that, during performance reviews, he highlights the employees' strengths and weaknesses and asks them about the support they need in order to maximize strengths and minimize weaknesses. The manager recounted that when he identified employees' needs, and assisted them in implementing the agreed action plans to maximize their ability and mitigate or eliminate weaknesses, many employees achieved personal and professional growth.

Additionally, non-managerial employees mentioned that innovative knowledge teachers should adopt different teaching styles to accommodate learners' various learning needs in the organization. Managerial staff affirmed that the subsidiary offers various learning environments, including a formal training center equipped with technological tools that aid learning. At the

training center, employees learn collaboratively as well as individually. All of the interviewed managers and supervisors acknowledged that they keep learning to be ready to solve new problems, and to provide relevant and effective leadership to their followers as role models.

Both managers and non-managerial staff affirmed that the degree of risk tolerance in the subsidiary is another determinant of the desire to acquire innovative knowledge. Some managers stated that since the case subsidiary's contracts are stringently guided by the legislation, only moderate risks are permitted. These managers remarked that, as a result of restrictive legislation on prison management in New Zealand, innovative ideas are thoroughly analyzed before trial implementation. Some non-managerial employees affirmed that a constant desire to adhere to legislation constricts possibilities of experimenting with innovative ideas. Even so, both managers and non-managerial employees confirmed that the subsidiary allows introduction, experimentation, and exploitation of innovative ideas with calculated risks.

The interviewed managers stated that they cultivate an environment that encourages constructive conflict resolution. The leaders argued that unresolved destructive conflicts extinguish empathy and enthusiasm in the group dynamic and hinder learning collaboration among employees. A supervisor commented that he reminds employees to look at conflicts as opportunities to deepen collaboration through constructive conflict resolution techniques. The supervisor explained that he assists the parties in conflict by pinpointing the clashing values and interests, and helps them find win-win solutions. The participants clarified that a win-win resolution of conflicts among workers erases anger and resentment, and paves the way for positive attitudes such as empathy and enthusiasm, which are required for organizational members to learn from each other.

Similarly, some non-managerial participants stated that the willingness to learn is also triggered by the passion an employee has for the subsidiary's values. These participants explained that when they identify themselves with the cause and values the subsidiary defends and promotes, they develop passion for learning and gaining new insights, competences, and skills. The interviewed managers and supervisors confirmed that illuminating the purpose of the subsidiary, rooted in its values and beliefs, ignites employees' passion for learning. Some managers and supervisors clarified that they illuminate the organizational purpose and mission by constantly working towards building a strong reputation for the company, and by promoting high values to serve their clients and the community. Some non-managerial staff commented that the realization of the positive impacts they make on the lives of their clients, and the community at

large, encourages them to further hone their abilities to serve. The participants concluded that emphasizing purpose over profit motivates them to learn. Moreover, some non-managerial employees stated that, in the past, the subsidiary's strong reputation motivated them to learn because they had the self-assurance to secure long term career progression, both vertically and laterally in an expanding subsidiary.

Two managers pointed out that another way to maintain learning in the subsidiary is developing routines and delivering on performance metrics to stay on track with knowledge transfer and acquisition. One of the managers elaborated that when a specific piece of innovative knowledge is selected for implementation, leaders should develop ways of measuring progress in its implementation while maintaining routines to avoid derailment due to complacency and loss of focus.

4.2.2. *Patience and Persistence*

Patience was a frequently reported quality an innovative knowledge absorber is required to develop. Over half of the participants acknowledged the importance of this quality in knowledge acquisition. These participants explained that since they work in the service industry, the kinds of innovative knowledge they implement are sometimes embedded in human interactions, attitudes, and behaviors. They clarified that it takes patience to achieve behavioral adjustments to fit in with their clients and to harmoniously operate as a group when they endeavor to absorb such innovative knowledge. Some managers and supervisors commented that patience also helps as a strategy to cope with the mistakes followers make when practicing the innovative knowledge.

> *"When you are patient, you will endure long enough to master the knowledge in the face of the temptation to quit when the going gets tough. But the leader also has to be patient, even when the learner is making silly mistakes."* [Interview 14]

Managers and non-managerial staff alike confirmed that implementing innovative knowledge requires patience. Some managers remarked that implementing innovative knowledge is not a linear process: despite proper planning, the implementation plan could yield unexpected results. They specified that persistence helps them consider false starts and obstacles as opportunities for the lessons required to wisely resume and proceed to the next stage of the process. These managers remind employees to maintain focused efforts when implementing innovative knowledge necessitating multiple trials. Some supervisors testified that applying some innovative

knowledge, such as strategies to eliminate contraband smuggling in the subsidiary, took several months and demanded intensity of effort and numerous practice trials.

Moreover, some managerial employees confirmed that when they assist staff in implementing complex knowledge requiring attitudinal and behavioral changes, they exert patience. For instance, a manager commented that teaching employees to handle a client displaying violent behaviors requires not only the learner's observation of repeat practices but also patience and persistence. The manager stated that acquiring such a piece of tacit knowledge also demands psychological preparation, which is achieved by developing a habit through numerous practice trials.

4.2.3. Humility and Inquisitiveness

Some participants identified humility and inquisitiveness as important additional qualities an innovative knowledge learner requires. These participants expressed the need to ask clarification questions to glean more details and shed light on the innovative knowledge they are to implement. The participants admitted to the possibility of misunderstanding or misinterpreting the knowledge, even when they think they have understood the leader's or teacher's explanation. They stated that asking questions about what seems obvious should also be encouraged, to reach a deeper and clearer understanding of the innovative knowledge.

> *"I think they have got to be able to listen in order to understand what is being conveyed to them, but they also need to have the courage to question why things are being done in a particular way."* [Interview 8]

Over half of the participants reported that a learner of innovative knowledge also needs to be humble. Non-managerial participants who shared this view defined humility as the ability to admit ignorance and the courage to admit mistakes. From a leadership perspective, managers and supervisors defined humility as the ability of a leader to accept the limit of his knowledge and to express the need for learning. They stated that it is in the teachable spirit that they acknowledge their ignorance, admit mistakes, and constantly learn.

> *"When you are humble, people will approach you. If you are proud, people will not approach you to share their skills and knowledge with you."* [Interview 14]

4.3. Leadership Behaviors Enabling Knowledge Transfer

4.3.1. Leader's/Teacher's Qualities

The majority of participants argued that the leader or teacher of innovative knowledge needs to display leadership qualities in order to achieve legitimacy to effectively facilitate knowledge transfer. Those qualities are said to be knowledgeability and competence in providing guidance, including the ability to teach and demonstrate the knowledge, being respectful, patient, and a good communicator.

In agreement with this view, 11 of the 15 participants suggested that the case subsidiary leaders and teachers should have deep knowledge of what they are teaching, and be competent in assuming their managerial or supervisory responsibilities. More than a half of the participants emphasized that the leader should inspire and motivate his/her followers while leading by example. Two-thirds of the interviewees similarly emphasized that the leader should be a good communicator to facilitate knowledge transfer effectively.

While the participants, including managerial and non-managerial employees, stressed the need for the knowledge absorber to be respectful, nine of them particularly emphasized that the leader or teacher should reciprocate the students' respect. Moreover, a half of the participants stated that the knowledge teacher should be patient when imparting innovative knowledge.

> *"He/ [she] needs to know his/ [her] stuff very well, he/ [she] should be competent and able to communicate it, and he/ [she] should be respectful, and patient. He/ [she] should show patience, especially to the slow learners, and when mistakes are being made in the learning process."* [Interview 12]

More than half of the participants stated that the leader should inspire and constantly motivate his/her followers in the teaching and learning process. Non-managerial participants stated that they become motivated when they see the leader display genuine passion and enthusiasm about a job involving the application of innovative knowledge. They illustrated that the motivation "oil" should run from the head downwards. The participants added that the leader inspires them when he/she shares his/her insights and experiences to assist them in assimilating the innovative knowledge. Managerial employees similarly agreed with the need for motivating employees in order for them to learn.

"As a leader, you need to constantly motivate and inspire the people you are leading. You need to think out of the box and be ready to teach no matter what environment, challenge, or obstacle tends to prevent the knowledge transfer. You need to keep being passionate about the knowledge you are transferring". [Interview 2]

Moreover, the interviewees pointed out that a leader should acknowledge mistakes and accept honest feedback from his/her followers. The managers and supervisors who held this view clarified that admitting their mistakes sets an example for their followers to emulate. They warned that the price of hiding mistakes could be higher than the embarrassment of admitting them. The participants further explained that when they acknowledge mistakes, as leaders, they build trust and promote transparency.

It [negative feedback] gives you a platform where you can give something more intelligently. I would depersonalize it and learn from it. If you are on a road leading to disaster and you are warned, you need to be grateful." [Interview 1]

Non-managerial employees stated that modeling and competence are leadership qualities that distinguish innovative leaders in the subsidiary. They argued that the leaders who display these qualities command respect. While both managers and non-managerial staff considered reciprocal respect between leaders and followers as important in collaborative efforts, non-managerial participants affirmed that they unreservedly respect the subsidiary leaders and teachers who are competent and have solid knowledge of what they are teaching.

Moreover, some participants stated that a competent leader leads by example, and demonstrates what he/she expects followers to achieve. They recognized that when their leaders demonstrate the process to achieving the expected outcomes through exemplary leadership, knowledge acquisition is facilitated. Managerial staff equally agreed that as leaders, they see better outcomes when they lead by example. Both groups clarified that demonstrating the application of a piece of innovative knowledge or the processes leading to the desired outcomes simplifies understanding for the knowledge absorber. The learner observes the practical aspects which may be difficult or impossible to clearly and accurately explain. A manager confirmed that demonstration removes the linguistic inadequacy to express what is nearly impossible to accurately verbalize.

Moreover, non-managerial participants stated that they admire a leader who inspires and motivates them. For a leader to inspire, he/she must have a clear vision and understanding of organizational goals, and be passionate about them. When asked to specify the elements they consider inspiring in the subsidiary leaders, non-managerial employees mentioned the leader's passion, enthusiasm, boldness and clear communication of visions, a presentation of compelling reasons behind the vision, optimism, and the commitment to serving the team members. Non-managerial participants emphasized that the leader should be able to contagiously transmit the passion and enthusiasm to the followers. Both managers and non-managerial employees shared the view that inspiring leaders must be very passionate about organizational projects. Some non-managerial employees acknowledged that projects which involve innovative knowledge requiring intensive efforts to absorb do not easily appeal to their enthusiasm and passion. However, some managers argued that, regardless of the challenges involved in a project, they endeavor to show passion and enthusiasm about it. Even so, non-managerial employees stated that most times, the subsidiary managers and supervisors provide compelling reasons behind acquiring specific innovative knowledge. Managers agreed that genuine enthusiasm and passion that inspire employees lasts only when there are sufficiently beneficial reasons for accomplishing the project involving innovative knowledge transfer.

Moreover, non-managerial employees stated that they are inspired when their leaders clearly and boldly communicate the vision or the task that needs to be fulfilled. A managerial employee divulged that he uses his experiences, insights, and employs familiar and interesting memorable action stories to communicate and clarify visions and set objectives for the tasks to be achieved. Another manager commented that, in order to inspire his followers through clarifying tasks and goals, he keeps his explanations specific and consistent. The manager further clarified that consistency in task communication maintains the followers' focus. Also, non-managerial employees argued that the subsidiary leaders who display optimism and the commitment to serve inspire them. Managerial staff similarly commented that when they fill employees with hope and practically show the commitment to serve and support them through challenges, the followers become inspired. However, some of the managers warned that the optimism should not overshadow genuine concerns and pessimism about unresolvable issues.

4.3.2. Leader-Follower Relationship

When asked about the qualities of the leader-follower relationship that facilitate innovative knowledge transfer, the participants identified trust, collaboration, communication, inspiration, role-modeling, and accountability as key relational factors enabling the process.

An overwhelming majority of 13 out of 15 participants emphasized trust as the most important element in the leader-follower relationship. These non-managerial employees stressed that trust must be strengthened between leaders and followers, as well as among followers. They argued that when there is trust, they remain open and receptive to their leaders. As a result, they freely communicate with their superiors and colleagues, receive emotional support from their leaders, and rely on each other to share even sensitive information.

The managerial employees stated that trust enables them to discuss issues and concerns frankly with their followers. They clarified that trust places them under the same roof of commitment and mutual support in the subsidiary. These leaders pointed out that trust makes it easier for them to communicate with their followers because they feel united to accomplish the same organizational goals.

> *"If there is no trust, you are never going to believe the person, you are never going to believe that your teacher is true, you are always going to have a second thought at the back of your mind, and you will not want to share your concerns with him/ [her]."* [Interview 12]
>
> *"Trust is definitely vital in building the relationship between the leader and follower because if there is no trust, what happens is that there is a gap in the relationship. And when there is a gap, people will not be open to take or learn anything from each other."* [Interview 7]

4.3.3. The Role of Trust

Both managerial and non-managerial employees identified trust as the most important factor in the relationship between the leader and follower, working together to transfer innovative knowledge. Managerial staff affirmed that trust makes followers more compliant in following directives. Non-managerial employees stated that they find trustworthy leaders more approachable. Managers and non-managerial employees remarked that trust demands the commitment of both leaders and followers in the exchange system in the subsidiary.

In agreement with their subsidiary leaders, non-managerial employees argued that followers have to cooperate selflessly to develop both the reliance-based trust and the disclosure-based trust to ensure mutual dependability and sharing of sensitive information. Some participants stated that without trust, employees cannot share information among themselves. Non-managerial

employees stated that trust hinges on honesty, loyalty, and consistency. To these three values, managers added leading by example. Although managers affirmed that they cultivate a trust environment by promoting the aforementioned trust elements, non-managerial employees stated that they find some managers and supervisors in the subsidiary more trustworthy than others. These participants explained that those managers who are more trustworthy not only display consistency and integrity in their words and actions, but are also open to discussing any issues facing employees in high confidentiality. These non-managerial employees elaborated that they are comfortable sharing concerns with those trustworthy leaders without fearing that the discussions could be used against them in some way. Also, non-managerial employees affirmed that they respect the subsidiary leaders they trust because of their consistent display of competence and integrity.

Considering the benefits of trust, non-managerial employees argued that trust in the subsidiary is the glue that binds both leaders and followers together, in the synergistic effort to fulfill organizational goals. These participants further highlighted trustworthiness as transparency because it makes subsidiary leaders more approachable and respectable, while making the followers loyal and open to the leaders and each other in the collaborative environment.

4.3.4. Communication and Trust

Regarding communication, both managerial and non-managerial employees emphasized the role of communication in the leader-follower relationship in the subsidiary. They argued that communication is important because it is used for clarifying the knowledge being transferred. The interviewees remarked that the quality and frequency of vertical and horizontal communications can facilitate or inhibit knowledge transfer. They confirmed that frequent communication, when simultaneously applied vertically and laterally, contributes to trust building and bolsters social cohesion and collaboration among organizational members. Managerial and non-managerial employees concluded that open and frank communication takes place only in a trust environment.

Additionally, both managers and non-managerial employees stated that communication is enhanced when they effectively use both direct and indirect communication styles and apply all the communication aspects (verbal and non-verbal communications). For instance, most managers and supervisors revealed that when communicating with non-managerial employees in the subsidiary, they use a language that is compatible with the level and situations of their

interlocutors. These managers commented that they tend to be straightforward and use informal language to simplify the message to non-managerial employees. A manager stated, for example, that sometimes picturing the message to his listeners facilitates understanding better than presenting ideas in bullet points.

4.3.5. Feedback and Reward

When asked about their reaction to feedback and reward, the majority of non-managerial participants acknowledged that they feel encouraged when acknowledged and rewarded. They further reported that when they receive positive feedback, their morale is boosted as they feel the satisfaction and pride that ignites their determination to further improve performance. The interviewees also revealed that when their work and performance is appreciated in the subsidiary; they feel valued. The managers stated that when they deliver positive feedback, they ensure that they are being honest and genuine about employee's performance. Similarly, the managerial employees acknowledged that they feel their work and accomplishments are valued when their superiors give them positive feedback. As a result, they are motivated to improve their performance.

> *"I think it [reward] makes them feel appreciated and valued. It [reward] boosts their morale and performance as they learn new skills."* [Interview 4]
>
> *"I have had staff members cry when I acknowledged them in front of their peers; it was a special moment. They need to be valued."* [Interview 9]

Conversely, the managerial employees revealed that when they do not give feedback, some employees go into a withdrawal mode, as they lose the encouragement and the heightened energy associated with receiving positive feedback. These participants also commented that they create various opportunities to acknowledge employees for great performances. Their feedback mechanisms include verbal acknowledgment during briefings, sending emails recognizing high achievers to all the organizational members, discussing outstanding performances during weekly meetings, and so on. They mentioned that praising, acknowledging, and sincerely thanking employees for accomplishing tasks to the required standards can be rewarding. Some supervisors make sure they acknowledge and praise employees even for a negligible performance such as completing a small task on time.

However, negative feedback affects employees differently. In the context of this thesis, it is important to specify that negative feedback is qualified as "negative" by participants when it

highlights employees' inadequate or poor performance in knowledge transfer and acquisition. While half of non-managerial employees agreed that receiving negative feedback unveils the need for improvement, they also stressed the significance of delivering negative feedback with tact and honesty, to avoid demotivation. They cautioned that when they receive negative feedback without appreciation of their efforts, they feel demotivated. Managers and supervisors likewise confirmed that stressing negative feedback can demotivate the feedback recipient. They elaborated that when giving negative feedback, they honestly articulate the performance areas necessitating improvement, and ensure that they appreciate the efforts the feedback recipient has exerted. Some supervisors and managers revealed that when they provide negative feedback they work together with the feedback recipient to develop an action plan to help improve his/her performance. Other managerial employees stated that they encourage supervisors to enforce a management plan for a well-defined time period. During the management plan period, the employee is closely monitored, and support is given to him/her. However, the managers pointed out that such a management plan should be designed with the employee's input, so that his/her needs are clearly identified in the acquisition or application of the innovative knowledge. The managerial employees explained that it is through feedback that they hold employees accountable. They also admitted that they expect their superiors, senior executives, and directors to hold them accountable in like manner.

In addition, some non-managerial participants reported that they expect their managers and supervisors in the subsidiary to be exemplary by accepting negative feedback, considering it as an opportunity for leadership and management improvement. However, some non-managerial employees stated that they are selective about the leaders they honestly give negative feedback to for fear of reprisal. To the question of giving negative feedback to managerial staff, some managers and supervisors agreed that non-managerial employees should freely give negative feedback without the fear of retaliation. These managers also suggested the use of dropping anonymous notes into the suggestion box.

Regarding rewards, items such as special cups bearing the company's logo, recognition certificates, bonuses, salary increases, promotion, sponsored vacations, and so on, are some of the rewards the case subsidiary managers and supervisors use to reward employees. However, both managerial and non-managerial employees agreed that the rewards do not have to be material. These participants clarified that sincerely acknowledging and appreciating employees' performance, whether verbally or in written form, can be satisfying. Even so, more than half of

the participants admitted that economic rewards, especially salary increases and bonuses, encourage them to work harder and improve performance. These participants explained that monetary rewards incentivize them to learn as it alleviates their financial burdens such as paying a mortgage or various bills, and increasing their savings. Surprisingly, some managers and most supervisors also acknowledged that financial rewards, including salary increases and bonuses, motivate them to improve their own and employees' performances.

4.4. Barriers to Innovative Knowledge Transfer

The participants reported elements that can complicate or completely hinder knowledge transfer and acquisition. They cited knowledge complexity, context difference, time constraints, knowledge hoarding, and resistance to learning as notable inhibitors of innovative knowledge transfer.

Moreover, four participants mentioned a lack of formal training as an obstacle to knowledge transmission and acquisition. A supervisor and a non-managerial employee emphasized the need for constant training entailing various teaching and learning styles. Managers commented that the subsidiary offers sufficient training to its employees and explained that learning perpetually presented multiple benefits such as increased absorptive capacity, cost reduction, operational efficiency, and augmented profitability. The leaders clarified that the more their employees learned, the greater the knowledge base on which to absorb future related knowledge. In the past, benefits stemming from the constant acquisition of innovative knowledge ensured the propulsion of the subsidiary to attain a competitive edge.

Most of the participants think that the same barriers mentioned in this section can hamper the sharing of both the locally generated knowledge, as well as the transfer of innovative knowledge from the parent firm, or external sources, to the subsidiary.

4.4.1. Knowledge Complexity

Both managerial and non-managerial employees who considered knowledge complexity to be an impediment to knowledge transfer suggested that the knowledge should be interpreted before its transfer. Managerial employees recommended involving every organizational member in making a useful contribution to reach an appropriate interpretation of the knowledge. The leaders clarified that knowledge background research, debate, experiments, consultation with the

knowledge source users, and so on, should be applied to understand and contextualize complex, innovative knowledge.

4.4.2. *Resistance to Learning*

Furthermore, 11 participants considered resistance to learning as a barrier to innovative knowledge transfer. Several supervisors commented that some employees who have worked for many years in the subsidiary tend to reject learning new ways of doing things because of their conservative mindset. Similarly, several managers stated that, from their experiences, when some employees think that acquiring new ways of accomplishing tasks threatens their comfort level and position of power, they resist learning. For instance, when acquiring a piece of innovative knowledge would compel an employee to leave his/her favorite department, he/she resists learning the knowledge. These participants also identified the fear of confronting the learning challenges as another cause of resistance to acquiring new knowledge.

> *"I have come across people like that, they are very comfortable in their ways of doing things; they reject change and learning the new skills that can bring the change. So, they fear to step out of the comfort zone of their old mentality."* [Interview 11]

Regarding addressing resistance to acquiring new knowledge, managers suggested that the resistant employees need to be reminded of the inevitability of change in the dynamic modern economy, where only the most innovative businesses survive stiff competition. Some managerial and non-managerial participants confirmed that explicating the advantages of the innovative knowledge could reduce resistance and rekindle the desire to learn. Helping resistant employees to understand the reasons behind absorbing the new knowledge, the resultant positive changes, and the knowledge contribution to employees' self-development and business advancement, could persuade them to learn. A supervisor revealed that she isolates an employee who resists acquiring new knowledge, to make him/her feel out of place; therefore igniting his/her desire to learn.

As a solution to resistance to learning, one supervisor stated that managers and supervisors need to identify the learning needs of the resistant employees and provide the support they require in the learning process. For instance, if resisting employees value explicit knowledge more than tacit knowledge because of its simplicity, the leadership should provide extra coaching to help them embrace the complexity of tacit knowledge. The supervisor stated that they sometimes hire

external experts to teach the required knowledge background to simplify the transfer and acquisition of the innovative knowledge at hand.

Additionally, to overcome employees' resistance to learning, some managerial employees commented that they cultivate a teachable spirit exemplified in their constant desire for learning for their followers to emulate.

4.4.3. Context Differences

Considering the interview data, eight interviewees stated that contextual differences, mainly attributable to cultural (national and organizational) differences between the knowledge source and recipient, can block knowledge transfer. For instance, a manager recounted that innovative knowledge sent from the parent firm in the UK, or from the sister subsidiaries in the United States (US), defy direct application in the case subsidiary in New Zealand.

The participants explained that when the innovative knowledge comes from a source where there is a different culture or conflicting legislation with that of the recipient organization, managers and employees consult to examine its modifiability to suit the local context. Managerial employees stated that they remove the knowledge aspects that could clash with the local legislation or upset local cultural values, and embellish its central concept for suitability in the local context. Both managers and non-managerial employees cited contextual differences as a prominent barrier to innovative knowledge transfer and acquisition.

> *"So something which works well in the UK context, is it going to work well in the New Zealand context, and you have to understand what it is that is going to prevent it from working in New Zealand?"* [Interview 3]

Regarding solutions to contextual differences, most of the managerial employees recommended proper interpretation and modification of the innovative knowledge. These participants concurred that it is vital to first confirm the interpretation of the original context of the innovative knowledge to guide its modification to suit the local context.

4.4.4. Knowledge Hoarding

Further, 13 interviewees overwhelmingly considered knowledge hoarding to be an impediment to knowledge transfer. Both managers and non-managerial employees agreed that retaining power over colleagues and keeping the knowledge seekers in an inferior "cage of ignorance" are the most common forces that drive knowledge hoarding habits. However, some managers agreed that knowledge hoarders can change when appropriately rewarded for the knowledge they share.

When seeking to understand the motivations behind knowledge hoarding, most managerial and non-managerial employees responded that knowledge hoarders view knowledge as power. When the knowledge they hold gives them a position of superiority, they decline to share it, in order to retain power.

> *"I have personally seen it. Some people withhold knowledge because they don't want their peers to go where they are."* [Interview 7]

In addition, the participants explained that when knowledge holders fear being equaled or overtaken by the potential knowledge recipients; they hoard critical knowledge. Some managerial employees revealed that when competing to execute various organizational projects, some employees deliberately withhold knowledge to disadvantage their competitors.

Regarding solutions to knowledge hoarding, managerial employees revealed that employees displaying knowledge hoarding behaviors are approached, engaged, and their ability is recognized and praised, while they are appropriately rewarded for sharing the knowledge they possess. Some non-managerial employees revealed that, in most instances, they approach a knowledge hoarder with the mediating help of managers and supervisors to prevent or de-escalate conflicts. However, some non-managerial employees expressed concern about the management offering some specific knowledge to only selected employees who fit into the managerial in-group membership.

4.4.5. *Time Constraint*

Eight of the 15 participants mentioned time constraints as a factor that can hamper knowledge transfer. The participants explained that sometimes they face unrealistic timeframes to master a piece of innovative knowledge, especially complex tacit knowledge that requires a considerable amount of time for its trial implementation. Non-managerial employees suggested that managers should give them an ample time margin to master complex, innovative knowledge. Similarly, one manager remarked that flooding employees with too much to learn over a short time period creates stress, and ultimately slows the knowledge transfer process. The manager clarified that leaders should evaluate the efforts required to absorb a complex piece of innovative knowledge and allocate time accordingly. She added that, while the knowledge is being implemented, leaders should constantly collect feedback about the challenges involved to determine whether more time is required to acquire the knowledge. Some managers and supervisors stated that, in the case subsidiary, managing time is especially crucial in a knowledge transfer project involving multiple phases.

As a solution to time constraints, a majority of managerial and non-managerial participants recommended proper planning and time allocation for various phases of knowledge transfer projects. Some managers and supervisors revealed that they prioritize tasks in terms of importance and the efforts required to accomplish them, and allocate time accordingly. A manager also stated that she constantly gets feedback from the project co-workers to assess whether task accomplishment is aligned with the project timeline, and makes adjustments where necessary. The manager remarked that she realistically allocates time when assigning tasks to employees and develops contingency plans, such as shifting resources or contracting some tasks, to avoid or address delays or failure to meet schedules.

4.5. Information Technology Roles and Limitations

The participants identified the roles IT plays in knowledge transfer and sharing, as well as its limitations in the subsidiary. The interviewees revealed that IT facilitates communication and learning, conveniently stores and retrieves a large amount of data, and expediently executes complex tasks by minimizing time and distance. Twelve participants mentioned these elements as the IT advantages experienced in the subsidiary.

4.5.1. IT Advantages

The participants affirmed that technology facilitates learning and communication among organizational members. The majority of the participants, including managerial and non-managerial employees, commended IT for diversifying learning options in the subsidiary. Some participants view computers and various software applications as better tools for learning, especially explicit knowledge, although technological tools were also acknowledged as useful for learning theoretical principles behind tacit knowledge. However, some managerial employees argued that it is their responsibility to choose appropriately, in collaboration with non-managerial employees, the right technological tools and media to communicate or transfer a specific piece of innovative knowledge. For instance, a supervisor advised that sending an email could be more efficient than placing a phone call to communicate complex process-based instructions.

The majority of the interviewees confirmed that IT assists in storing and retrieving large amounts of data. They also stated that IT reduces or eliminates the difficulties of classifying physical files, and reduces the information travel time among organizational members.

Furthermore, both managerial and non-managerial participants commented that while implementing innovative knowledge, IT tools such as software applications, in some cases, execute more complex and difficult tasks. These IT tools simplify certain aspects of knowledge transfer and acquisition.

4.5.2. IT Limitations

Regarding limitations, the participants identified these as information overload and inability to effectively convey information charged with feelings and emotions. Eleven of the 15 interviewees, comprising managers and non-managerial employees, acknowledged these limitations. However, only seven participants viewed information overload as a downside to the use of IT in knowledge transfer. Managers and supervisors stated that information overload is resolved by prioritizing the information coming through various technological media and addressing them accordingly. For instance, a manager commented that concentrating on the most relevant piece of information to the job at hand can reduce the overload.

Some managerial and non-managerial participants identified the inability of technological tools to effectively convey feelings and emotion-charged information as an IT limitation; while other non-managerial employees reported reduction or removal of human touch and connection as a downside. Under half of the participants, mainly those who are less technology "savvy", stated

that they view the pressure of constantly learning to use the upgraded technological systems as an IT downside. Only one supervisor mentioned cyber-attack and virus infection as IT security risks that could delay or prevent knowledge transfer and acquisition.

> *"The human connection and touch, technology will never replace that. A computer will never have a cup of tea, laugh, or cry together with you."* [Interview 9]

In terms of finding a solution to IT limitations, most of the managerial and non-managerial participants recommended that the subsidiary should continue using IT and face-to-face communication complementarily.

Finally, some managers and supervisors stated that the subsidiary should invest in new technologies which are capable of facilitating the accomplishment of various knowledge-intensive tasks to erase incompatibility between a new piece of innovative knowledge and the old technology. These managers argued conclusively that the subsidiary's strategies to detect, assess, and minimize technological risks have made technological tools great facilitators of innovative knowledge transfer and acquisition.

4.6. Summary of Findings

This chapter has presented the findings from interviews regarding the facilitators and barriers to innovative knowledge transfer and acquisition. The chapter also presented the findings on the role of IT in knowledge transfer. Considering the operations in the case subsidiary, participants revealed that a decentralized organizational structure fosters multi-directional communications and collaboration among organizational members. Collaboration permits consultation to find solutions to problems in projects involving knowledge transfer and acquisition.

In terms of employees' behaviors and qualities, the findings reveal that a strong desire to learn, patience, persistence, humility, and inquisitiveness are central in acquiring and sharing innovative knowledge.

Regarding leadership behaviors that enable innovative knowledge transfer, the participants revealed that leaders or innovative knowledge teachers should be passionate, enthusiastic, inspiring, patient, competent, and exemplary to facilitate knowledge transfer.

In the leader-follower relationship, the findings demonstrate that trust; based on integrity, transparency, and consistency, is the most important relational factor because it enables candid communication between organizational members, leaders' approachability, sensitive information

sharing, and feedback provision. Giving feedback was found to be necessary in encouraging employees to learn and enhance performance, but how negative feedback is delivered and received is an important aspect.

With regard to barriers to innovative knowledge transfer and acquisition, the findings reveal that knowledge complexity, resistance to learning, knowledge context difference, knowledge hoarding, and time constraints are impediments to innovative knowledge transfer and acquisition. This chapter has also revealed the solutions proposed by participants to address these barriers, according to the subsidiary's practices.

Finally, the chapter has presented the findings on IT use in the subsidiary. Although providing multiple advantages in communication and task execution, complementary use of IT and face-to-face communication in interactive learning were recommended by participants to compensate for IT limitations. Participants based this recommendation on their experiences in the case subsidiary.

The next chapter discusses the findings, drawing insights from these and comparing them with the literature.

Chapter 5 Discussion

Introduction

This chapter analyzes and discusses the research findings. The discussion follows the four core themes of the findings as presented in Chapter 4. Discussion of the findings considers the interview responses through the lens of, and in comparison with, the relevant discussions in the literature review that informed the conceptual framework for the study and from which the interview guideline questions were derived.

First, the theme of *organizational culture enabling innovative knowledge transfer* refers to the organizational cultural factors that managers and employees identified as facilitators of innovative knowledge transfer in the case subsidiary.

Second, the theme of *leadership behavior enabling knowledge transfer* refers to the values, behavior, attitudes, and factors that the participants confirmed as enablers of knowledge transfer in the leader-follower relationship.

Third, the theme of *barriers to innovative knowledge transfer* refers to values, behavior, attitudes, and factors capable of hampering innovative knowledge transfer and acquisition in the case organization. Solutions to the impediments are proposed under this theme. Fourth, the theme of *information technology roles and limitations in knowledge transfer* refers to the roles that IT plays, and its limitations or downsides in knowledge transfer and acquisition in the case subsidiary, as identified by the participants.

Although the findings from the interview statements by managerial and non-managerial participants are discussed together, notable divergent and conflicting views are highlighted where relevant.

5.1. Organizational Cultural Behavior Enabling Knowledge Transfer

5.1.1. Organizational Structure

5.1.1.1. Collaboration

First, in its organizational structure, the subsidiary has established a communication and collaboration system that empowers employees by giving them easy access through the hierarchy and enabling them to collaborate with colleagues to envisage solutions to problems.

For instance, the coordinator of visit sessions between inmates and their relatives appreciated receiving open communication and collaboration from her superiors and colleagues when she introduced an innovative way of breaking visit sessions into categories that lifted the restrictive fear of visitors discussing sensitive issues in mixed visit sessions. Scholars found that collaboration takes place when there is an open communication among the collaborating team (Hotho et al., 2012). Multidirectional communication in the subsidiary is indicative of power distribution and extension to non-managerial employees insofar as they collaboratively and individually envisage solutions to problems.

However, although the company extends the power to non-managerial employers, it does not fulfil the requirements of clan and adhocracy cultures with a decentralized structure. Such cultures and a structure of this type are essential for open communication in both vertical (leader-follower), and horizontal (follower-follower) directions (Hotho et al., 2012). A manager revealing that she micromanages some employees in delicate projects that could cost the subsidiary financially and in reputation is a practice that would stifle dyadic communication and collaboration. Consequently, the subsidiary's knowledge transfer capability would be diminished by not fully adopting adhocracy and clan cultures along with decentralizing the structure. However, full adoption of these organizational cultures also depends on whether they align with the short and long-term goals of the organization. Clan and adhocracy cultures and a decentralized organizational structure are discussed in Chapter 2 of this thesis.

Secondly, consultation among organizational members in the case subsidiary is a practice that generates discussions leading to innovative knowledge transfer. Employees can act as filters and gatekeepers of information, enabling them to offer suggestions, comments, and feedback capable of strengthening the company's innovativeness (Woisetschläger, Hanning & Backhaus, 2016; Reid & Brentani, 2004; Zeithaml, Bitner & Gremler, 2008).

Also, consultation reinforces collaboration by creating an environment in which social cohesion and interaction occur. This environment enables managerial and non-managerial employees to

collaborate to assist each other and work as a team to resolve problems and issues in the implementation of the innovative knowledge (Díaz-Díaz & Saá-Pérez, 2014; Yang, & McLean, 2010). Social cohesion and interaction fosters and maintains positive attitudes in which employees develop empathy, which generates the willingness to share knowledge, and the drive to learn from the knowledge holder (De Vries et al., 2006). Scholars have confirmed that a supportive learning environment also eliminates negative emotions such as anger, disappointment, dislike, and antipathy that could stifle the willingness to share and acquire new knowledge (Van den Hooff et al., 2012). In social interaction and cohesion, organizational members develop conflict resolution mechanisms to maintain collaboration. However, in the case subsidiary the managerial employees' emphasis on constructive conflict resolution potentially presents a danger of creating a "group-think (Erdem, 2003)" phenomenon, where organizational members decline useful confrontations that would lead to devising better alternative ways of generating, transferring, and sharing innovative knowledge. Parallel studies (Fusch, & Fusch, 2015; Shweta & Jha, 2010) reveal that organizations that have the same predictive ways of addressing conflicts are likely to result in ossified harmony. This hampers the exploratory divergence of views in conflicts and consequently discourages creative ways to facilitate innovative knowledge transfer and acquisition.

Some non-managerial employees voiced concern and expressed frustration about the inadequate level of, or a lack of, consultation on the introduction of some innovative knowledge. Excluding employees from consultation disengages them mentally and emotionally, and reduces their motivation, thus destroying job satisfaction (Han, Chiang & Chang, 2010; Irawanto, 2015). Moreover, some non-managerial employees withhold their feedback and contribution to the innovative knowledge discussion because they fear reprisal from their superiors; this denotes inefficient consultation in the subsidiary. However, employees can withhold opinions for different reasons: a sense of futility (assuming their opinions will not make a difference), isolation, embarrassment, personal rejection and rejection of suggestions, personalizing constructive criticism, dismissal, and so on (Detert & Burris, 2016). Therefore, the unaddressed fear of reprisal for speaking in the case subsidiary affects useful communications that could enable innovative knowledge transfer and acquisition. Managers need to be aware of the impacts of employees withholding opinions and develop leadership strategies for minimizing this behavior.

The managerial employees in the subsidiary recommended a suggestion box as a means of collecting anonymous views of employees. However, using an anonymous suggestion box and other means of collecting views reinforces the fear of forthright speaking, and can trigger the

"witch hunt – who said this?" reaction. It can cause difficulty in addressing issues raised by a person who could elaborate on the statement made anonymously (Detert & Burris, 2016). Leaders can encourage freer expression by modelling being vocal and candid, by being transparent, by informally reaching out to employees in face-to-face encounters, and by softening power cues to foster collaboration.

Some non-managerial employees also abstain from giving views because of power cue projections, whereby they unquestionably, yet unenthusiastically submit to their leaders, in compliance with "do as I say" instructions. This kind of power cue projection undermines open communication between leaders and their subordinates in the subsidiary.

5.2. Employees' Behaviors and Learners' Qualities.

5.2.1. Strong Desire to Learn

The first learning stimulus that facilitates innovative knowledge acquisition and transfer in the case subsidiary is a strong desire to learn. This helps employees develop inquisitiveness (Van den Hooff et al., 2012). The learning culture endures when managers and supervisors keep acquiring new skills, competence, and insights to set an example for their followers to emulate (Van den Hooff et al., 2012) and to reinforce the message that experimentation and perpetual learning are a central driver of innovation. Grossman (2015) argued that leaders need to teach employees "how" not "what," and allow them to "fail forward" as they practice using innovative knowledge. Participants emphasized that leaders need to be humble by acknowledging their knowledge limitations in order to keep learning. The extant literature does not reveal this requirement.

Moreover, managers can sustain the desire to keep learning by constantly generating innovative knowledge in addition to the knowledge sent from the parent firm. The generated knowledge should lead to enhanced processes, procedures, and general organizational operations. However, some managerial staff in the case subsidiary stressed the constraint which legislation for prison management in New Zealand places on the introduction of novel innovative ideas, thus stifling constant learning. The case subsidiary could concentrate on incremental innovation as a more subtle approach to ameliorate the problems and issues in the existing processes and procedures.

Furthermore, constant learning enhances employees' capabilities and boosts the company's reputation as they deliver better services and create better products. This reputation leads to employees' identification with the organization as they become proud of contributing to the

fulfilment of the company's mission and purpose (Cavaliere & Lombardi, 2015; Mueller, 1987). Employees who like their jobs and are passionate about them are more likely to be eager learners than those who dislike their jobs (Den Hooff et al., 2012). In the case subsidiary, most of the non-managerial participants affirmed that, in the past, the subsidiary's strong reputation made them proud of the services they were delivering, gave them hope for long term career progression, and, therefore, motivated them to absorb innovative knowledge. While managers in the case subsidiary stated that quality services delivery enhances the subsidiary's reputation, the company failed to meet its major contractual obligations, which attracted significant media coverage and may have damaged its reputation. Employees could be demotivated to learn in a company with a tarnished image and an uncertain future for career progression.

5.2.2. Patience and Persistence

The subsidiary's patience and tolerance of mistakes in knowledge implementation are important elements that could especially favor the transfer of tacit knowledge which requires intense effort and numerous trials. Tacit knowledge implementation trials necessitate patience and intensity of effort by both the leader or teacher and learner, who would be required to demonstrate and observe the knowledge application while adjusting their behavior (Donate & Sánchez de Pablo, 2015; Williams & Sullivan, 2011; Song, 2014). The leader's patience also tolerates learning mistakes. However, the managerial participants did not clearly indicate how they draw the line between learning mistakes and complacency. Since some managers referred to metrics to measure progress and ensure focus, the distinction between mistakes made while learning and complacency should be incorporated in those metrics to combat mistakes by negligence.

5.3. Leadership Behavior Enabling Knowledge Transfer

5.3.1. Leader's/Teacher's Qualities

The case subsidiary also facilitates innovative knowledge transfer by employing leaders who are competent, exemplary, and able to inspire and motivate employees. Competent leaders know what they expect from their followers, and set standards by demonstrating the process toward achieving the expected outcomes (Birasnav, 2014; MacKenzie et al., 2001). Such leaders serve as examples to employees and therefore motivate them to learn. The participants stated that they respect leaders in the subsidiary who display these qualities.

According to the participants, inspiring leaders are also passionate, enthusiastic, and they clearly communicate vision to inspire and motivate employees. Clear communication of vision, coupled

with passion and enthusiasm, inspires employees, and mentally and emotionally prepares them to confront enthusiastically the challenges involved in projects (Canaan Messara, & El-Kassar, 2013). When employees see the benefits of the new knowledge (Abouzeedan & Hedner, 2012; Islam & Jasimuddin, 2015; Hung et al., 2011; Wang et al., 2014), they more readily absorb it. However, the case subsidiary leaders who project power cues were not necessarily able or willing to take the time to explain the reasons behind innovative knowledge, as they command employees to unquestionably execute their orders.

5.3.2. The Role of Trust

The participants' emphatic consideration of trust as an essential foundational element in the relationship between leaders and followers, and among colleagues, validates trust as a facilitator of innovative knowledge transfer in the case subsidiary. Trust is a critical factor because it is the foundation of relationships among all of the organizational members (Whisnant & Khasawneh, 2014). Trust creates emotional bonds between the case subsidiary employees. The participants' report aligns with affect-based trust theory (MacAllister, 1995), which explains the emotional bonds of employees that enable them to share concerns, while nurturing the belief that they will benefit from the emotional support their colleagues reciprocate. Trust fosters open communication among organizational members and enables them to rely on each other and disclose sensitive information for the fulfilment of their tasks (Nguyen et al., 2013; Mooradian et al., 2006).

In the case subsidiary, trust also leads to the leaders' approachability and respectability. When there is trust and mutual respect in the leader-follower relationship, employees freely approach their leaders to discuss the challenges encountered in acquiring new knowledge (Whisnant & Khasawneh, 2014).

Moreover, participants' identification of honesty, integrity, transparency, and consistency as the pillars of trust aligns with studies which have found that competence, integrity, openness, and receptivity to followers enable leaders to earn the trust of their followers (Dirks & Ferrin, 2002; Whisnant & Khasawneh, 2014). The participants' responses indicate that trust must be earned by leaders and reciprocated between leaders and followers, and among colleagues. Similarly, trust among team members underpins integrity, honesty, openness, respect and receptivity towards each other (Li et al., 2014; Levin & Cross, 2004).

While trust is considered as the most important element in the collaborative relationship, it is surprising that none of the participants identified a "group-think (Erdem, 2003)" phenomenon, where there is a reduction of vigilance and failure to critically evaluate information because of

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high trust. A "group-think" phenomenon is a disadvantage of high trust in knowledge transfer and acquisition (Song, 2014). Both managerial and non-managerial employees in the case subsidiary need to be aware of the "group-think" phenomenon as a potential downside to a high level of trust.

5.3.3. Trust and Leadership Theories

In LMX and transformational leadership, trust creates mutual respect between the leader and follower, attracts their commitment to work collaboratively, and strengthens the follower's loyalty to the leader (Li et al., 2014). Trust, therefore, improves the exchange quality between the leader and follower in an open discussion of issues and concerns related to the knowledge being transferred. In the case subsidiary, where there is a trust relationship, followers approach leaders to discuss issues with them. The leader then offers emotional support to the follower and respects his/her feelings in a high exchange relationship. Therefore, the interviewees' statement confirms the literature which has established that trust facilitates candid discussion of concerns between leaders and followers, thus facilitating innovative knowledge transfer (Li et al., 2014; Wu et al., 2010).

However, in the case subsidiary, some non-managerial employees reported that some leaders are more trustworthy than others, which is an indication that the high exchange quality in the LMX relationship is compromised when trust is not uniformly applied. This kind of inconsistency could undermine frank communication and collaboration in the departments or units where untrustworthy leaders are deployed, thus jeopardizing learning and knowledge transfer.

In the case subsidiary, the identification by some managers of employees' learning challenges and offering the required support aligns with the individual consideration aspects of transformational leadership. In individual consideration, the leader considers different behaviors of the followers and responds accordingly (Wu et al., 2010). Followers remain open and receptive to the leader. Consequently, the follower freely shares concerns, challenges, issues and problems, knowing that the leader will listen and help him/her find solutions. The leader also remains open and receptive, sharing insights, knowledge, and experiences that assist the follower in resolving problems. In a trust environment, the leader and follower share the same vision and goals in a spirit of loyalty and commitment to each other.

Further, in individual consideration, the leader identifies the follower's needs and provides coaching where necessary. The coaching intellectually stimulates the follower and enables him/her to accomplish tasks at a higher standard (Li et al., 2014). Individual consideration, hinging upon trust, challenges followers to look for new ways of accomplishing tasks and to

respond to the dynamic, innovative environment. However, in the case subsidiary, some employees complain about the lack of training, regardless of the availability of the training tools and relevant courses. This denotes a managerial failure to properly identify the individual learning needs of these employees and address them with appropriate coaching.

5.3.4. Feedback and Reward

Both LMX and transactional leadership support the notion of giving and receiving rewards and feedback in the leader-follower relationship to encourage learning (Rhodes et al., 2008; Song, 2014; Durcikova et al., 2011; Wang et al., 2014). Prticipants in the case subsidiary confirmed that both material rewards and verbal positive feedback encourage them to learn and improve their performance.

Scholars have acknowledged that economic rewards encourage employees to learn, yet they have concluded that monetary rewards alone do not achieve the actual knowledge transfer and acquisition (Kachra & White, 2008; Song, 2014). Surprisingly, both managerial and non-managerial participants revealed that economic rewards such as bonuses, salary increases, or promotions resulting in pay rises are major incentives for learning and improving performance. Managerial staff disclosed that financial rewards enable them to enhance their own performance, as well as that of their followers.

Both managerial and non-managerial employees suggested that negative feedback provision should go both ways: from managerial to non-managerial employees, and vice versa. To the subsidiary leaders, negative feedback should present opportunities for leadership improvement. However, this principle could not be applied across the case subsidiary because of the fear of reprisal from some managerial staff. Leaders are approached confidently with negative feedback only when they cultivate an environment of trust, openness, transparency, and candid communication in the high exchange (Li et al., 2014). The fear of candidly giving negative feedback to the leadership in the case subsidiary could also explain the downward spiral of performance which caused the subsidiary to lose a contract.

The contingent reward aspect of transactional leadership, which prescribes rewards for the followers when objectives are met, motivates employees to acquire and share innovative knowledge (Zagorsek et al., 2009). The subsidiary leaders could cultivate the servant mind-set in employees to find satisfaction in their accomplishments rather than in temporary rewards.

In transactional leadership, both active and passive management by exception lead to corrective measures when mistakes are made, thus creating the opportunity to give and receive feedback

and hence to learn (Birasnav, 2014; Flatten et al., 2015). However, although the case subsidiary's managerial employees acknowledged identifying mistakes and recommending corrective measures, it is important to investigate the reasons behind mistakes. If mistakes are being made because of employees' incompetence, or lack of skill, training should be offered in those specific skill areas. It is better to extinguish the source of the fire than fight the resulting flames.

5.4. Barriers to Innovative Knowledge Transfer

5.4.1. Knowledge Complexity

Most participants, comprising both managers and supervisors, merely attributed the complexity of tacit knowledge to contextual differences between the source (parent firm and other organizations) and the recipient (subsidiary) of the innovative knowledge. This exemplifies the confusion emerging from the interpretation of highly complex tacit knowledge. Scholars have detailed that, in knowledge interpretation content ambiguity and context ambiguity, leading to uncertainty and equivocality, can hamper knowledge transfer because of the knowledge vagueness, high complexity, nonverbalization, and a high level of specificity. This, in turn, leads to uncertainty (gaps in information) and equivocality (differing interpretations) (Narteh, 2008; Van Wijk et al., 2008; Williams, 2007). Uncertainty and equivocality concepts are explained in Chapter 2 of this thesis.

The case subsidiary's managerial employees suggested that consultation between the knowledge source and recipient, consultation with the subsidiary employees, debates, knowledge background research, context modification, trialing, and observation of the knowledge application can lead to proper interpretation of the highly complex tacit knowledge. Participants considered debating complex knowledge and observing its applicability to establish routines as a solution that some scholars have also proposed to address uncertainty and equivocality (Draft & Weick, 1984; Inkpen & Pien, 2006; Williams, 2007; Narteh, 2008). When uncertainty and equivocality are reduced, the innovative knowledge source context meaning can emerge. However, extant literature does not offer empirical ways of interpreting highly tacit knowledge.

Regarding contextual differences, the participants proposed modification and repackaging of innovative knowledge to suit the local context in agreement with the literature findings (Narteh, 2008; Teigland & Wasko, 2009). Also, the managerial participants stressed the importance of rightly interpreting the knowledge before its modification, because wrong interpretation can misguide the modification. This emphasis is lacking in the extant literature.

5.4.2. Resistance to Learning

In agreement with the participants' identification of knowledge resistance, researchers confirmed that some employees with long tenure in a company can be wary of acquiring innovative knowledge because they become comfortable with old habits they have developed over time (Prusak, 1998; Abouzeedan & Hedner, 2012; Islam & Jasimuddin, 2015). They resist learning because they dislike confronting the difficulties of acquiring new knowledge, and fear losing their current positions as the new knowledge may displace them within the organization (Abouzeedan & Hedner, 2012; Islam & Jasimuddin, 2015).

The participants also recognized power retention and competition advantage as triggers of knowledge hoarding behaviors. Some people hoard knowledge because they believe that being the only holders of the knowledge will make them indispensable, thus powerful (Boer et al., 2011; Cavaliere & Lombardi 2015; Ipe, 2003). A manager in the case subsidiary argued that some people hoard knowledge because they have paid a high price for its acquisition. This participant proposed acknowledging the knowledge hoarder for his/her expertise and rewarding him/her in accordance with the value of his /her knowledge as one way to mitigate the problem.

While proportionate reward could convince the knowledge hoarder to share his/her expertise, it does not address the intention of the expert to avoid the knowledge distribution in order to retain power and feel needed. The leadership should rather apply transformational leadership principles to influence the mind-set of the expert from power retention to a serving mind-set, which would help him/her consider his/her expertise as a tool to assist colleagues so that together they can effectively fulfil the organizational purpose in serving customers. Researchers have also acknowledged that applying reciprocity principles, which promote proportionate rewards for sharing innovative knowledge, can convince the knowledge hoarder to reform (Jasimuddin et al., 2006; Suppiah & Sandhu, 2011; Tet & Sun, 2012). The knowledge hoarder sees the reward as a beneficial exchange for their knowledge.

5.5. IT Roles and Limitations

The efficiency of IT, identified by participants, in storing, retrieving, distributing, analyzing, and executing complex tasks involving innovative knowledge aligns with the extant literature which includes the advantage of strengthening the relationship among organizational members by simplifying and increasing the frequency and quality of interaction (Ho et al., 2012; Chong et al., 2010; Doherty et al., 2010).

Regarding IT limitations, the participants identified the inability of technological tools to effectively convey feelings and emotion-charged information as a major limitation. Face-to-face communication is required for interactive learning (Chong et al., 2010; Ho et al., 2012) where feelings are exchanged.

5.6. Discussion Summary

This chapter has demonstrated that the participants understand most of the best practices facilitating innovative knowledge transfer, in agreement with the findings of the extant literature. However, the chapter has shown that in the case subsidiary there is a lack, inadequacy, and inconsistency in the application of some best practices. Consequently, the compromise in collaboration, consultation, trust, reputation building, and reciprocal feedback affects innovative knowledge transfer and acquisition in the case subsidiary.

Similarly, in terms of barriers to innovative knowledge transfer, the chapter has established the participants' awareness of most of the barriers to innovative knowledge transfer, as identified by previous researchers. However, insufficient application of best practices to counter the barriers undermines innovative knowledge transfer in the subsidiary.

Finally, the chapter has discussed the importance the case subsidiary employees attach to IT because of its roles in knowledge transfer. The discussion has also demonstrated that the participants support a combined use of IT tools and face-to-face interaction to mitigate IT downsides and limitations.

The next chapter provides an overall conclusion to the thesis.

Chapter 6 Conclusion

This chapter summarizes the study, outlining the key findings resulting from the interview data, and relating these to the research question and how they contribute to theory and practice. The study's limitations are addressed and avenues for future research are suggested on the topic of innovative knowledge transfer and acquisition.

6.1. Study Summary

This thesis has investigated the facilitation of innovative knowledge transfer and acquisition in a foreign subsidiary in New Zealand by managerial and non-managerial employees. The study considered organizational cultural, behavioral, and technological challenges associated with innovative knowledge transfer and acquisition in this context. Under the first of four themes, *organizational culture*, the study investigated organizational factors that are reported to facilitate innovative knowledge transfer. The second theme of *leadership behavior* enabling knowledge transfer uncovered behaviors, values, attitudes and factors that facilitate innovative knowledge transfer and acquisition. Under this theme, the leader-follower relationship elements of LMX, transformational, and transactional leadership that facilitate innovative knowledge transfer were explored. The study also examined *key barriers* to innovative knowledge transfer and proposed solutions to address those barriers in light of the participants' responses. Finally, under the theme of *IT roles and limitations* in knowledge transfer, the study considered advantages and limitations of IT in innovative knowledge transfer and acquisition.

6.2. Key Findings

Based on the interview data from the case subsidiary, the study found:

6.2.1. Organizational Culture

Collaboration reinforced by consultation, social interaction and social cohesion facilitated innovative knowledge transfer in the subsidiary because it extended power to non-managerial employees to collaboratively envisage solutions to problems when executing projects involving innovative knowledge transfer. However, the study found that the subsidiary does not present the characteristics of clan and adhocracy cultures and a decentralized organizational structure (which are regarded in the literature as being highly facilitative of innovative knowledge transfer) because consultation and free expression of opinions were limited by the fear of reprisal by some of the subsidiary leaders. As a result, the lack of empathy and drive to learn from each other in the absence of collaboration led employees to withhold their views, knowledge, and experiences that could enhance creativity in the transfer and acquisition of innovative knowledge.

6.2.2. Facilitating Behaviors

A strong desire to learn, as well as patience and persistence, were found to be key behaviors that innovative knowledge learners and those who are teachers and leaders need to develop in order to acquire and transmit innovative knowledge. A strong desire to learn was found to endure among learners only if organizational leaders model constant learning and encourage the continued generation of innovative knowledge besides the knowledge sent from the parent firm and other sources. However, the subsidiary reported legislation on prison management in New Zealand to be an impediment to knowledge generation, thus impacting on the desire to learn. While this could be a genuine constraint to innovative ideas creation, the organization's leaders should encourage the application of incremental innovation to improve existing procedures, processes, and practices.

Patience and persistence were found to be crucial in the implementation of highly complex tacit knowledge requiring time and attitudinal changes. Patience helps in tolerating mistakes that learners make. The findings imply that organizational leaders should model and instill persistence and patience in their organizational members if they are to acquire and transfer highly tacit innovative knowledge.

6.2.3. Leadership Behaviors

The study revealed that passion, enthusiasm, competence, along with being exemplary, inspiring, and motivating are leadership qualities that motivate employees and inspire them to learn and disseminate new innovative knowledge. Passion and enthusiasm were found to be essential for preparing employees emotionally to confront the challenges involved in transferring and acquiring innovative knowledge. Subsidiary leaders need to display these qualities in order to inspire their followers to acquire innovative knowledge.

6.2.4. Feedback and Rewards

Feedback and various types of rewards were found to encourage employees to acquire and transfer innovative knowledge. While the extant literature established that monetary rewards do not necessarily lead to actual knowledge transfer (Hung et al., 2011; Kachra & White, 2008; Song, 2014), both managerial and non-managerial employees emphasized, surprisingly, that monetary rewards are significant in encouraging them to acquire and transfer innovative knowledge and improve performance. This suggests that monetary rewards may have a greater role to play in incentivizing employees for knowledge acquisition and transfer than has previously been thought. The link between these two factors is worthy of further research with regard to its role and importance, singularly or in combination with other incentives, in facilitating innovative knowledge transfer.

Also, whereas the subsidiary's managerial and non-managerial participants encouraged mutually giving and receiving positive and negative feedback to highlight areas necessitating improvement, they affirmed that untrustworthy subsidiary leaders could not receive candid negative feedback because they project intimidating power cues that deter honest interaction and communication, and they tend to retaliate over negative feedback. This issue could partly explain the decline in the case subsidiary's performance over the past two years. Consequently, subsidiary managers should provide regular feedback and suitable rewards to their followers, while inviting and accepting negative and positive feedback from them. The subsidiary directors could assess and train managers who have difficulty receiving candid negative feedback so that employees may be encouraged to freely give such feedback for better leadership and the overall performance of the subsidiary.

6.2.5. Trust and Humility

The major finding of this study is the role that trust was found to play in the LMX and transformational leader-follower relationship. The study revealed that trust sustains all of the other elements (collaboration, a strong desire to learn, patience and persistence, feedback, humility, and so on) that facilitate or lead to knowledge transfer in the leader-follower relationship. Although the extant literature stresses the importance of trust in maintaining high exchange, through leaders' support and followers' loyalty, this study reveals that integrity, honesty, transparency, and consistency are the pillars of trust that reinforce all of the other elements in facilitating innovative knowledge transfer. This study adds a more fine-grained understanding of what comprises the concept of trust and what is required to build it, in this context.

Moreover, although the findings of this study corroborate the extant literature, this study adds humility to the qualities that both leaders as teachers and learners of innovative knowledge need to develop in order to effectively acquire and transmit the knowledge. This study revealed that humility assists organizational members in recognizing their knowledge limitations and the need to constantly acquire new innovative knowledge. A recent study (Owens & Hekman, 2016) in organizational leadership defined this leadership quality as that of leaders forming an accurate view of themselves, appreciating others' strengths and contributions, and being teachable. This research finding agrees with Owens and Hekman (2016) in establishing that humility is socially contagious because followers tend to emulate teachable leaders who lead by example.

6.2.6. Barriers to Knowledge Transfer

With regard to barriers to knowledge transfer, knowledge complexity, resistance to learning, and knowledge hoarding were found to hinder innovative knowledge transfer. To reduce knowledge complexity, participants proposed that organizational members should first endeavor to reach a proper interpretation of the knowledge before its modification to suit the local context. An understanding of the original context of the innovative knowledge inspires the recipient subsidiary employees to modify it appropriately from the original context to the new context, thus facilitating its correct interpretation, acquisition, and transfer.

With regard to knowledge hoarding, the study also showed that rewarding the knowledge hoarder according to the value of their knowledge and the efforts he/she exerts in sharing it, can dissuade him/her from concealing or declining to share the required innovative knowledge. In

the extant literature, this reciprocity principle (Jasimuddin et al., 2006; Suppiah & Sandhu, 2011; Tet & Sun, 2012) involving fairly rewarding the knowledge hoarder is also considered to be a remedy for such behavior. However, the application of the reciprocity principle may not address the motivation of the knowledge hoarder to retain power. In transformational leadership, leaders can use individual coaching to change the minds and hearts of their followers to produce the type of the needed transformation (Li et al., 2014). Subsidiary directors and managers could apply this transformational leadership principle to transform the knowledge hoarder from viewing the critical knowledge as an asset for personal gain, to viewing it as an asset to help other employees reach organizational goals. The leaders should further use the transformational principle to coach the knowledge hoarder to learn to receive reputational feedback stemming from generously sharing the innovative knowledge to fulfil the organizational goal as the ultimate reward. Leaders can generate reputational feedback by acknowledging the knowledge hoarder in sharing the knowledge, giving him/her credit for the success that the shared knowledge brings to the company. The combination of fair rewards and reputational feedback could resolve knowledge hoarding issues.

6.2.7. Role of IT

While the application of IT was found to be widely advantageous in facilitating storage, retrieval, communication, and execution of complex tasks involving innovative knowledge transfer, the study revealed its inability to transmit feelings and emotion-charged information as a major limitation. Knowledge transfer is about more than conveying technical information, involving holistically a range of hard and soft data, and IT tools and applications are capable of transmitting only part of the whole message. The study highlighted the need to use both verbal communication and IT media in a complementary fashion because interactive learning involving exchanges of intense feelings requires face-to-face communication in addition to technical information. Highly tacit knowledge necessitating behavioral changes and intensive interaction and observation between the teacher and learner especially requires the use of both technology media and face-to-face interaction for its effective transfer and acquisition.

This framework highlights the knowledge transfer facilitators emphasized in the interview data that extend the body of knowledge.
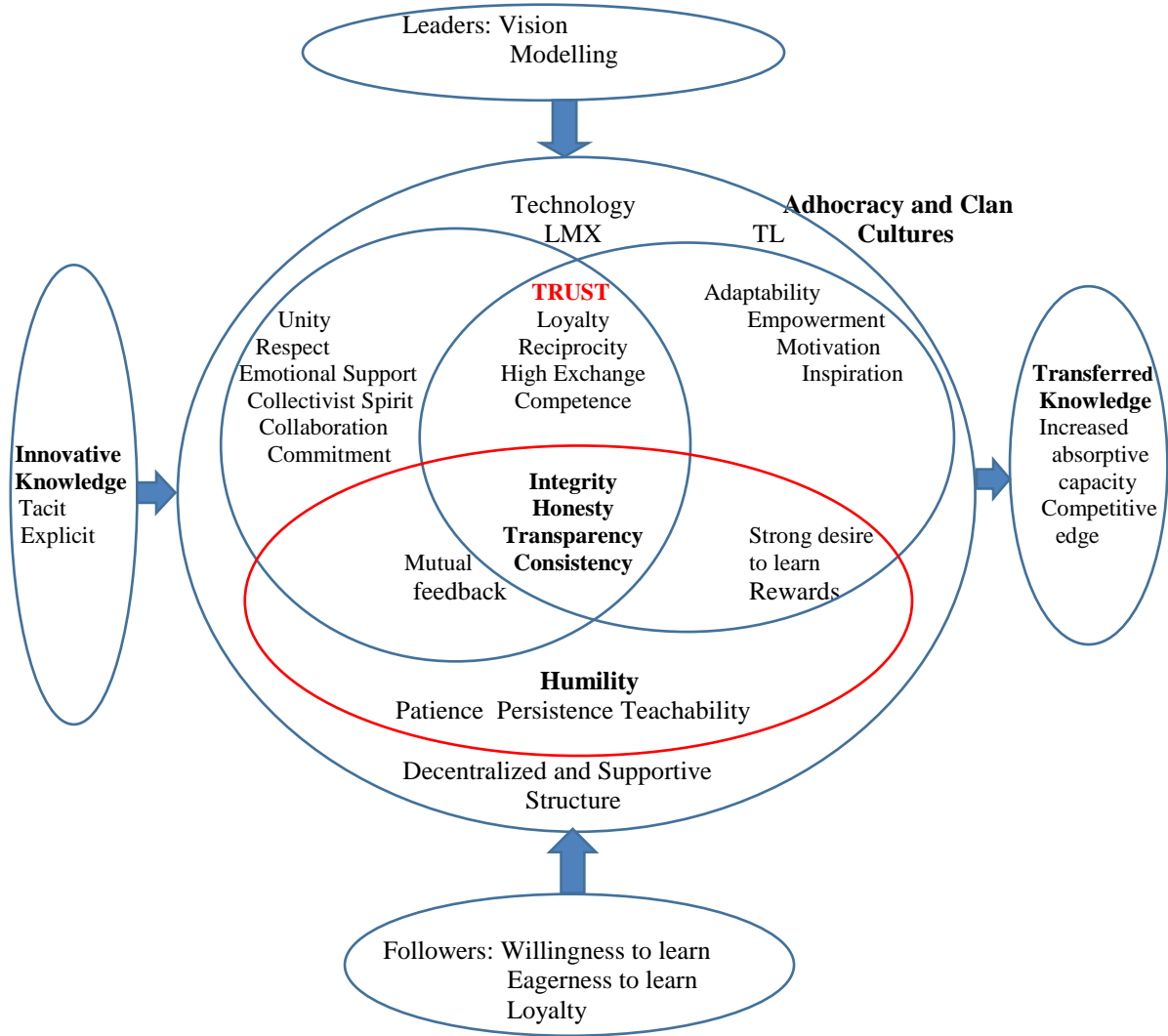
Chapter 6 Figure 1 Innovative Knowledge Transfer Facilitators Model

The elements of this framework are based on the case subsidiary interview data, combined with the concepts derived from the extant literature in the framework for the study shown in Chapter 2, Figure 2.1. The diagram above shows the qualities that leaders and followers should display to enable innovative knowledge transfer in the leader-follower exchange, as found in the study. Humility, as defined in Chapter 4 by managerial and non-managerial participants, is the new element that emerged amongst the qualities that both leaders, teachers, and followers need to adopt in order to facilitate innovative knowledge transfer and acquisition.

However, the key extension of the conceptual framework (Chapter 2, Figure 2.1) is the emphasis that participants placed on trust, which consists of honesty, integrity, transparency, and consistency. The participants considered trust as the most important element in facilitating the acquisition and transfer of innovative knowledge because it reinforces all the other factors that support and foster this activity in the leader-follower relationship.

Knowledge Transfer Facilitators in Transactional Leadership

The framework below presents the outcomes of transactional exchanges based on the interview data.
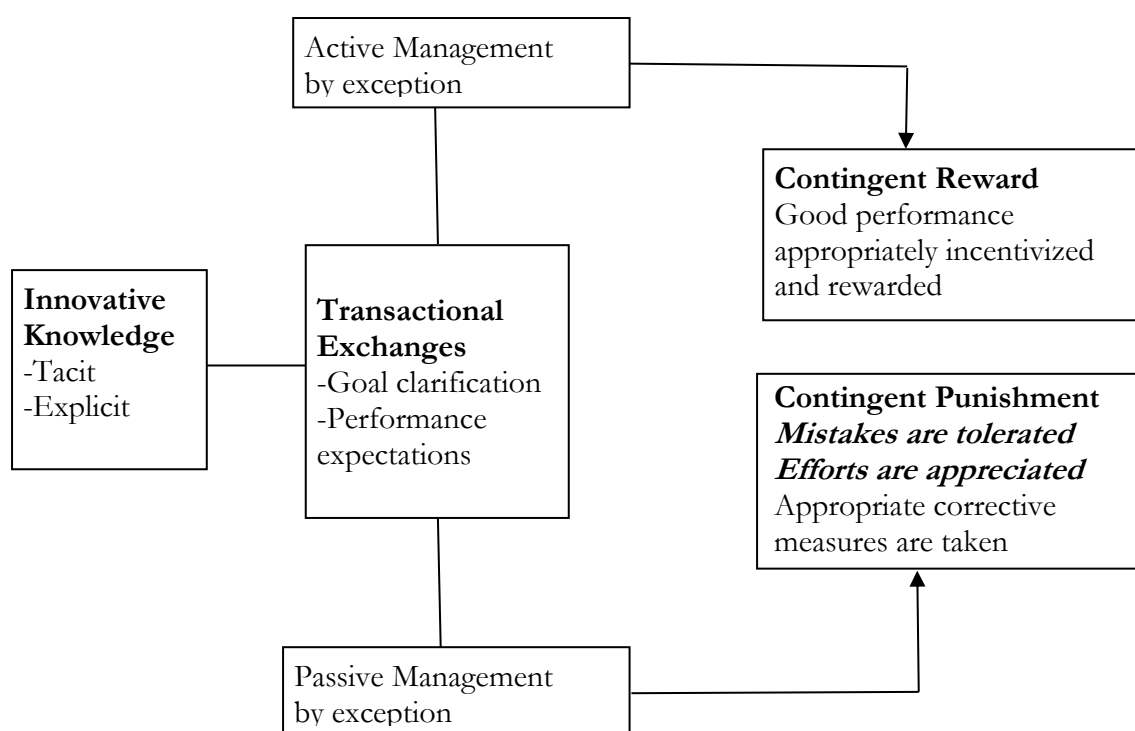
Chapter 6 Figure 2 Knowledge Transfer Facilitators in Transactional Leadership Model

In transactional leadership, the study clarifies the element of punishment for mistakes (an approach shown to deter innovation) in the conceptual framework. Punishment of mistakes is replaced by the practice of mistake tolerance and appreciation for employees' efforts, even when the agreed goals in the transactional exchanges are not attained. Tolerating mistakes (within reason, where the risk to the organization is not excessive) is more conducive to creating a supportive organizational culture for learning, innovation, knowledge acquisition and transfer, than a punitive environment which is more likely to stifle these processes through fear than foster them through encouragement.

6.3. Contribution to Theory and Practice

6.3.1. Trust and Humility

Trust was found to be the most important factor in the leader-follower relationship, as well as in the relationship among followers, for effective knowledge transfer. Trust is important because it sustains collaboration both between leaders and followers and among followers. Organizational members can only be fully open and receptive to each other to share information and to learn from each other in a strong trust environment (Li et al., 2014; Wu et al., 2010). Trust is effective when reciprocated between leaders and followers and among colleagues. As seen in the case subsidiary, inconsistent or partial application of trust compromises leaders' approachability, employees' expression of opinions, and candid feedback provision; thus constraining employees' contribution of creative ideas and experiences to the implementation of innovative knowledge.

The findings of this study relating to trust indicate that to create favorable conditions for effective knowledge transfer, organizational leaders should vigorously model a multidirectional trust relationship by cultivating an environment of integrity, honesty, transparency, and consistency. These elements constitute the framework for trust according to the findings of this study. Since the study overwhelmingly considered trust to be the most important ingredient that reinforces other facilitators of knowledge transfer, organizational leaders should ensure trust is centrally developed and applied to facilitate innovative knowledge transfer and acquisition.

Humility, being the courage to admit ignorance and the need to learn as defined by the participants in this study, is a quality that this research adds to other enablers of knowledge transfer and acquisition that has been overlooked by extant literature on innovative knowledge transfer. The implication of humility in knowledge transfer is the teachable spirit that it sustains in both leaders and followers, and the inducement of leading by example. Consequently, managers should practice humility to remain teachable, in order to be exemplary leaders that followers can humbly learn from.

6.3.2. Organizational Culture

As shown in the extant literature, knowledge transfer succeeds in a collaborative environment that is supportive of multidirectional communication. This study's results confirm the theory that a decentralized organizational structure, where power is extended to, and distributed among its members including non-managerial employees, is where both vertical and horizontal communications are best able to occur (Hotho et al., 2012; Namaka & Takeuchii, 1995). Practical

implications are that managerial employees need to engage organizational members through various means of consultation in order to foster collaboration among employees. Based on the findings, organizational leaders should also deploy both direct and indirect (IT) communication tools to enhance collaboration. Effective communication afforded by IT tools were shown in this study to assist organizational members in individually and collectively finding solutions to problems and issues in projects involving innovative knowledge transfer. The findings further indicate that, in the collaborative environment, organizational leaders should reduce intimidating power cues and initiate informal exchanges with subordinates to encourage a candid expression of creative and innovative ideas, issues and concerns, without fear of retaliation. The findings emphasize that it is this kind of collaborative environment that cultivates social interaction and cohesion, openness and receptivity, creativity, and ideas generation, culminating in innovative knowledge transfer and acquisition.

Furthermore, the results demonstrate that organizational leaders should sustain collaboration by creating opportunities for the constant generation of innovative knowledge. This type of environment will provoke individual and collective reflection, which in turn can help organizational members solve problems involving innovative knowledge. Organizational leaders can achieve this by remaining humble learners who constantly set the example for their followers to emulate in the transfer and acquisition of innovative knowledge.

6.3.3. Facilitating Behaviors

While the extant literature encourages employees' willingness and eagerness to learn (De Vries et al., 2006), this study further found that both leaders and followers have to develop a strong desire for learning in order to assure an enduring learning culture. A strong desire for learning lasts only as long as leaders create an environment of a continued flow of innovative knowledge from the parent firm and other sources, as well as from within the organization. Consequently, organizational leaders should model a strong desire to learn and sustain a constant flow of innovative knowledge to maintain the teaching and acquisition of the knowledge capable of enhancing employees' abilities and competence, which are fundamental in building a competitive advantage.

Since this study confirms patience and persistence as important, especially in the transfer of highly tacit knowledge necessitating attitudinal changes, intensity of effort, and multiple trials (Song, 2014); organizational leaders should cultivate these qualities among organizational

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members for transfer of tacit knowledge. The patience that organizational leaders develop will also assist in developing an appropriate level of tolerance for mistakes in navigating the learning curve.

6.3.4. Leadership Behaviors

Whereas the extant literature has established that, in LMX and transformational leadership, leaders provide the emotional and technical support in exchange for the loyalty of their followers in a quality exchange (Carmeli, 2011; Li et al., 2014; Wu et al., 2010), this study further emphasizes the leader's knowledgeability and competence in providing guidance to followers in projects involving the acquisition and transfer of innovative knowledge. The study has further stressed that leaders should be passionate and enthusiastic about the project involving innovative knowledge transfer, in order to inspire and motivate their followers. Participants acknowledged that they respect and loyally follow such leaders. The implication of this finding is that organizational leaders should constantly enhance their leadership skills through continued learning, in order to gain the required competence to inspire, motivate, and maintain the legitimacy to lead and capture the loyalty and respect of their followers. Subordinate feedback and self-reflection are ways in which leaders can fine-tune their leadership skills and ongoing learning needs.

6.3.5. Incentives and Rewards

Considering transactional leadership, in agreement with the extant literature findings on rewards and feedback as motivating factors in innovative knowledge acquisition and transfer (Zagorsek et al., 2009; Antonakis et al., 2003), this study emphasized that both negative and positive feedback should apply bi-directionally (from leaders to followers and vice-versa). However, employees can candidly give negative feedback only if leaders are trustworthy and approachable in a non-retaliatory environment. Consequently, organizational leaders should work on building trust and reducing intimidating power cues to become more approachable, and consider seeking negative as well as positive feedback in their regular feedback invitation. Viewed as opportunities for improvement, negative feedback can highlight aspects of leadership that can be developed and strengthened in more effectively facilitating the organization's acquisition and transfer of innovative knowledge.

While the extant literature underlined reputation feedback and economic rewards as instrumental in motivating employees to learn and share innovative knowledge (Stewart, 2005; Kachra & White, 2008; Song, 2014), this study shows emphatically that both managers and non-managerial employees are greatly incentivized by financial rewards. Consequently, although the extant literature argues that pecuniary rewards rarely motivate employees to learn and share innovative

knowledge, organizational leaders should not underestimate the importance of financially rewarding employees in incentivizing them to learn and acquire this knowledge. The challenge for managers and leaders is to know how best to develop appropriate monetary incentives for learning, and how to combine such rewards with other incentives for effective innovative knowledge acquisition and transfer.

6.3.6. Barriers to Knowledge Transfer

This study confirms the extant literature, which argues that knowledge complexity, resistance to learning, and knowledge hoarding are the main barriers to innovative knowledge transfer and acquisition (Islam & Jasimuddin, 2015; Cavaliere & Lombardi, 2015). Since knowledge complexity is a barrier that can hamper acquisition and transfer of innovative knowledge, organizational leaders should develop mechanisms that enable a proper interpretation that reduces the complexity of tacit knowledge to be adapted to the local context.

Although this study's findings support the extant literature recommending the application of reciprocity principle, which ensures equal reward for the innovative knowledge shared and the expended effort (Suppiah & Sandhu, 2011; Tet & Sun, 2012); to combat knowledge hoarding, the study further recommends that organizational leaders should deploy the transformational leadership principle of influencing the follower's thinking from self-interest to collective interest. Transforming the innovative knowledge holder's mindset, from using the knowledge for their self-interest, to sharing the knowledge to assisting colleagues to achieve organizational goals, could address the motivation to hoard knowledge - that is, retaining power in order to feel needed. Organizational leaders should, therefore, work with transforming the knowledge hoarder's perspective from viewing the knowledge as a personal gain, to viewing it as a tool for collective benefit in achieving organizational goals involving innovative knowledge acquisition and transfer.

Moreover, beyond agreeing with the extant literature on the causes of resistance to learning being inflexibility to change old habits developed during the course of a long tenure in a company, this study emphasized that organizational leaders should continuously remind the resistant employees of the benefits that brings an individual and organizational competitive edge by acquiring and transferring innovative knowledge.

6.3.7. Role of IT

Beyond confirming the information storage, retrieval, communication, and complex task execution advantages of IT, as discussed in the extant literature (Doherty et al., 2010; Ho et al., 2012; Chong et al., 2010), this study stresses both the use of technological media and face-to-face communication in interactive learning, especially of highly tacit knowledge requiring observation and behavioral modification. Therefore, organizational leaders should use both direct face-to-face and indirect IT communications in a complementary fashion to facilitate transfer and acquisition of highly tacit innovative knowledge that necessitates behavioral changes.

6.4. Study Limitations

The study was designed to examine an MNC in the service industry sector using a qualitative study approach and involved semi-structured interviews with 15 participants as the method for gathering data in a foreign subsidiary in Auckland. This choice of study design was best aligned with the research question but was limited by the timeframe required to complete a master's degree and the lack of financial resources required for undertaking the research on a larger scale. Future research could involve a wider, cross-sector sample from both service and product industry sectors to examine foreign subsidiaries in New Zealand and elsewhere. A quantitative approach using survey instruments could also be used to test and verify the findings of this study, and to further develop an understanding of the investigated phenomena pertaining to innovative knowledge transfer and acquisition in foreign subsidiaries.

Additionally, a different research approach such as action research could be used before and after the introduction of innovative knowledge, to study the transfer process and the impacts of the transfer activities on the subsidiary's knowledge absorptive capacity and competitive advantage.

6.5. Future Research Directions

The examination of facilitators and barriers to innovative knowledge transfer raised some issues that were beyond the scope of this study. Firstly, since implementing innovative knowledge from a foreign source requires its modification to the local context, proper interpretation and understanding of the knowledge is required. The study reveals that consultations, debates, knowledge trialing, and observing the effectiveness of knowledge application could lead to a more accurate interpretation of complex tacit knowledge. While some scholars (Draft & Weick, 1984; Narteh, 2008; Inkpen & Pien, 2006; Williams, 2007) have proposed debating complex tacit

knowledge and observing its application to establish routines as a means to reduce equivocality and uncertainty, the extant literature does not provide empirically tested mechanisms for interpreting this type of knowledge. Future qualitative research using semi-structured interviews could be used to further investigate mechanisms for interpreting highly tacit knowledge from external sources before adaptation to the local context. A cross-sectional qualitative approach could be used to test the findings of studies on complex tacit knowledge interpretation strategies. Since both managerial and non-managerial employees admitted to economic reward being an essential motivator of innovative knowledge transfer and acquisition, contrary to the extant literature findings, future research needs to establish the extent to which economic rewards, especially financial rewards, motivate employees to acquire and transfer innovative knowledge. A cross-sectional quantitative survey could reveal whether the phenomenon applies only to the case subsidiary or has a wider application in innovative knowledge transfer and acquisition in other foreign subsidiaries.

While trust is found to be a central relational factor reinforcing other enablers of innovative knowledge transfer and acquisition, future research could investigate the extent to which trust based on honesty, integrity, transparency and consistency reinforce other key facilitators of innovative knowledge transfer. Moreover, future research could study the groupthink (Erdem, 2003) phenomenon, which is considered to be detrimental to the critical consideration of information when organizational members have a very high degree of trust among each other. Studying the implications of high trust and the propensity for groupthink for knowledge acquisition and transfer could lead to a better understanding of what constitutes a healthy amount of trust in the organization.

Final Comments

In summary, this study aimed to investigate factors that facilitate innovative knowledge transfer and acquisition, taking into consideration organizational cultural, behavioral, and technological challenges faced by managerial and non-managerial employees in a foreign subsidiary in New Zealand. The study extends the knowledge base in relation to facilitators of innovative knowledge transfer in foreign subsidiaries by emphasizing the reinforcing element of trust based on honesty, integrity, transparency, and consistency, as well as humility in organizational leaders, teachers, and learners as essential qualities for effective knowledge transfer. Rewards and feedback are also emphasized as critical enablers of innovative knowledge transfer. The study revealed humility as an additional factor that both leaders and followers need to develop to

enable teachability and constant acquisition and diffusion of innovative knowledge among organizational members.

Finally, while clan and adhocracy cultures combined with a decentralized organizational structure are ideal for power distribution and collaboration, resulting in creative ways of acquiring and disseminating innovative knowledge, organizations that are constrained by contractual obligations to embrace radical innovative ideas may find that existing processes and procedures can still be improved through adopting an incremental approach to innovation in their knowledge transfer and acquisition endeavors.

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Appendices

1. Ethics Approval

7 October 2015

Coral Ingley
Faculty of Business and Law

Dear Coral

Re Ethics Application: **15/320 Serco NZ's approach to facilitating innovative knowledge transfer and acquisition in prison management in New Zealand: A case study.**

Thank you for providing evidence as requested, which satisfies the points raised by the Auckland University of Technology Ethics Committee (AUTEC).

Your ethics application has been approved for three years until 7 October 2018.

As part of the ethics approval process, you are required to submit the following to AUTEC:

- A brief annual progress report using form EA2, which is available online through http://www.aut.ac.nz/researchethics. When necessary this form may also be used to request an extension of the approval at least one month prior to its expiry on 7 October 2018;

- A brief report on the status of the project using form EA3, which is available online through http://www.aut.ac.nz/researchethics. This report is to be submitted either when the approval expires on 7 October 2018 or on completion of the project.

It is a condition of approval that AUTEC is notified of any adverse events or if the research does not commence. AUTEC approval needs to be sought for any alteration to the research, including any alteration of or addition to any documents that are provided to participants. You are responsible for ensuring that research undertaken under this approval occurs within the parameters outlined in the approved application.

AUTEC grants ethical approval only. If you require management approval from an institution or organisation for your research, then you will need to obtain this.

To enable us to provide you with efficient service, please use the application number and study title in all correspondence with us. If you have any enquiries about this application, or anything else, please do contact us at ethics@aut.ac.nz.

All the very best with your research,

Kate O'Connor
Executive Secretary

Auckland University of Technology Ethics Committee

Cc: Jospin Uwaci jospin@hotmail.co.nz

2. Participants Information Sheet

Research Project: Participant Information 25 August 2015

Project Title

"Facilitation of innovative knowledge acquisition and transfer in prison management in New Zealand."

An Invitation

Greetings, my name is Jospin Uwaci, and I am a postgraduate student at the Auckland University of Technology. I am completing a Master of Business degree majoring in International Business Management. I wish to invite you to participate in a research project for my degree by sharing your knowledge and experiences with me about acquiring innovative knowledge in relation to your roles in the company. This research will enable me to attain my Master's degree qualification. Your participation in the research project must be voluntary, and you may withdraw from the process up to the end of data collection. Declining participation in this project will neither advantage nor disadvantage you in any way in your roles at the company.

What is the purpose of this research?

The findings of this study will lead to the completion of a thesis for my Master's degree, and the possible publication of the overall findings in an article for a scholarly journal.

How was I identified and why am I being invited to participate in this research?

You have met the main selection criterion, which is having worked with the company for at least six months in a position where innovative knowledge sharing and organizational learning based on that knowledge is common. The company's management has provided me with a pool of email addresses that enabled me to contact you for the purpose of this research only, but the company has no other involvement in the research process.

What will happen in this research?

Please let me know your agreement by your reply to this email. You will then sign a Consent Form shortly before the research interview. The research comprises a semi-structured interview (follow-up questions flow from your answers), and the knowledge you share will be strictly used for the purpose of this research only.

What are the discomforts and risks?

My research involves face-to-face interviews, which will take approximately 60 minutes of your time. The interview questions will cover only your knowledge and experiences in relation to how you acquire, use and share innovative knowledge in your role within the company. All information that you provide in the interview will be treated with complete confidentiality. The

information will not be shared with any third party, and neither you nor the company will be identified in the reported findings of the research.

What are the benefits?

The benefits of this research are:

To the participants

The research findings will add substantively to existing knowledge and practice in relation to the topic area. The findings will provide your company with insights into the practices being applied by the New Zealand subsidiary to the transfer and use of knowledge from within and across the wider global company.

To the researcher

The topic being researched will result in my gaining knowledge, skills, and experiences, and in attaining the Master's degree qualification.

To the wider community

The wider benefits will include:

Extending what is currently known about the practice of innovative knowledge acquisition and transfer in the context of New Zealand subsidiaries of multinational companies.

Enhancing understanding of the factors that may facilitate or hamper the transfer of innovative knowledge, and how this understanding might help subsidiary managers and employees in managing the process.

The findings may help managers of subsidiaries of multinational companies in guiding staff training in relation to the transfer of innovative knowledge.

How will my privacy be protected?

All information provided by you during the course of the interviews will be used only for the purpose of my thesis and possible publication of an article on the general findings in a scholarly journal. Confidentiality will be maintained in the reported results by using a pseudonym for your organization and an alphabetical code for you. The interview transcripts will be returned to you to ensure you are happy with the recording accuracy of your statements before data analysis.

What are the costs of participating in this research?

The interview will take approximately 60 minutes of your time. A $20 petrol voucher will be provided in appreciation of your time and to offset any costs you incur in traveling to the interview venue.

What opportunity do I have to consider this invitation?

I will be grateful for your consideration of participating in this research. If you agree to participate, please respond to this invitation before 13 September 2015.

I would be pleased to provide any further information you require before accepting my invitation. All your queries may be e-mailed to me.

How do I agree to participate in this research?

Please email your answer to jospin@hotmail.co.nz to confirm your agreement to participate in this research, and you will sign a Consent Form before starting the interview.

Will I receive feedback on the results of this research?

I will be pleased to provide feedback on the results of the research.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Dr. Coral Ingley, coral.ingley@aut.ac.nz , Tel: 921 9999 Ext. 5419.

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTEC, Kate O'Connor, ethics@aut.ac.nz, Tel: 921 9999 Ext. 6038.

Researcher Contact Details:

Jospin Uwaci

Tel: 0210 2244 076

Email: jospin@hotmail.co.nz

Project Supervisor Contact Details:

Dr. Coral Ingley

Tel: 921 9999 Ext 5419

Email: coral.ingley@aut.ac.nz

Approved by the Auckland University of Technology Ethics Committee

3. Indicative Interview Questions and Data Interpretation Sample
A) QUESTIONS TO MANAGERS AND SUPERVISORS

Leadership and management styles

1. I'm interested in how you manage and share information/ new innovative knowledge in your role as a director/manager/supervisor. Please tell me about what you do when you receive new information/knowledge from the head office/the parent firm and other sources? How do you pass that information onto managers, supervisors, and non-managerial employees? What about when the information/new innovative knowledge is from within the company? How do you share it?

Absorptive capacity enhancement

2. What do you do to encourage employees to learn and share new knowledge, and how do you enable employees to be more capable of learning? How do you increase their learning and knowledge sharing ability?

To managerial and non-managerial interviewees: Do you generate innovative knowledge within the company? How and why?

LMX Theory and transformational leadership in knowledge transfer

3. Do you communicate the new work-related knowledge to the learners individually or do you teach them as a group? Are there any other ways you communicate this type of knowledge? Which of these options work best in transmitting the knowledge? In what context, and why? Which of the options has/have the greatest effects on their learning? Do you evaluate the learning process and outcome? Why and How?

B) QUESTIONS TO MANAGERIAL AND NON-MANAGERIAL EMPLOYEES

LMX Theory/ the nature of the relationship between leaders and followers

4. How would you describe the relationship between you and your managers and supervisors? What impact do you think this relationship has on your ability to gain new knowledge in your job? OR (to managers): How would you describe the relationship between you and employees whom you lead/manage/supervise?

Centralized and decentralized organizational structures

5. How do you organize the company in a way that makes innovative knowledge sharing possible? Do you have a say in how all issues related to learning new innovative knowledge are addressed within the company? Do you think learners have the freedom to learn on their own in the company? To what extent does the company support their learning? In what ways does the company demonstrate the support?

Behaviors and attitudes that facilitate knowledge transfer

6. What kinds of behaviors and attitudes do you think encourage learners to adopt and absorb new innovative knowledge? How do you help employees align their attitudes and behaviors to the values, philosophy, and mission of the company in order to increase their ability to learn and share knowledge? And how do those behaviors and attitudes help the learning process?

7. What kinds of behaviors and attitudes do you think managers need to adopt in order to maximize the learning and teaching ability of employees? How do you think those behaviors and attitudes help managers and supervisors in learning and teaching?

Tacit and explicit knowledge types

8. Do you think there are different types of innovative knowledge? Do you think that some types of knowledge are easier/more difficult to learn and share than others? If so, which types and why? And how do you facilitate the learning and/or overcome the difficulties of such knowledge in the subsidiary?

9. What makes you want to learn and share new innovative knowledge? What do you think are the benefits to you, to others in the company, and to the company?

Social interaction and trust in knowledge transfer

10. What roles do you think social interaction (communication flow among and between employees and managers) and trust play in learning and sharing new innovative knowledge?

11. Are there behaviors, attitudes, practices, or things that can block/hinder/undermine learning and sharing innovative knowledge? What are they and how do you manage them?

Technology use in knowledge transfer

12. Is information technology use important in learning and sharing new innovative knowledge?

13. How does technology help in teaching and learning new innovative knowledge?

14. What do you think are the key issues associated with technology in transmitting and learning new innovative knowledge and how do you overcome them?

Knowledge processing and adaptation to the local context

15. How do you interpret and reach an understanding of the new knowledge sent from the parent firm? Do you modify the knowledge? To what extent? How and why?

16. Apart from what we have discussed, is there anything else you do to help facilitate learning and sharing of new innovative knowledge within the company?

Note: These questions were not asked exactly in this numerical order.

Data Interpretation
Sample

Benefits of learning	efficiencies, enhances skills Avoids stagnation, empowerment, Improved processes/procedures Adaptability to change, better performance	Be effective, meet change, more value to the company and profitability	Stays ahead of competition, runs efficiently, saves money
Knowledge Interpretation:	Consultation with colleagues Apply it for feedback, compare with the know, compare the contexts, Consult the source, research	See the philosophical sides, ask why, what, how, consult fellow managers/supervisors debate and discuss for clarify	Process-bases and behavior- Based: The first is easier, the latter is hard because it requires education and attitudinal change cultural assimilation, less or Intangible. Consult, research, trial Difference: legislation, culture. Modify if possible. Throw away if inapplicable with modification
Knowledge Resistance	Comfort Zone, fear of learning challenges Remedy: Give reasons behind the knowledge Refusal, no training, incompetent teacher Remedy: Explain reasons behind knowledge and emphasize benefits	Fear of learning, inferiority complex, Comfort zone, Remedy: Challenge them to learn and meet the challenges	Reasons: cultural /dislikes change, comfort zones, fear of unknown/change, can't bother, feel threatened by change, think may lose position/authority/privileges fear may lose their special knowledge Remedy: Explain reasons behind the knowledge and the benefits
Knowledge Blockers	Context difference: Modify, change delivery Time constraint: have a realistic plan	Context difference: Seek commonality then modify. Impediments: Legislation, culture, educational level. Time constraint:	Remove roadblocks, ensure doesn't contravene legislation, compare with local objectives,

		manage by planning carefully	train staff about it. Time constraint: be realistic
Knowledge Hoarding	Reasons: secret weapon, feel they suffered a lot to learn, Remedy: Recognize their ability, praise them, Solution: recognize them as source for the knowledge	Reasons: fear of being superseded/overtaken and replaced Solution: Seek another source if available	Views Knowledge as power Remedy: Pick a champion who is less threatening or not at all
Learner's Qualities	Open-minded, recognizes mistakes and acknowledges them, is patient and persistent (Intensity of efforts)	No fear of the new know, values knowledge, curious, takes Initiative, humble, focused	Persistent, eager to learn, Ready to practice, learns from mistakes, focuses, is critical, accepts feedback
Teacher's Qualities	Tests the knowledge, follows timeline, trains champions, receives feedback, builds trust great communication skills, humble, knowledgeable, respectful Building Respect: Being open, authentic, integrity,	Identifies student learning needs and styles, interactive teaching, knowledgeable, competent, role-modeling	Knowledgeable, leads by example, does not project forcefully project authority
Meeting/Consultation	Benefit: Shows you value them, Not consulting: They switch off, don't cooperate. Conflict: see individually and collectively-depends on the issues Introduc Inn: Individual consultation good for slow learners	Shared views and experiences, learn from each other, collective spirit Lack of Consultation/Consequences: Shuts them up, become distanced	Collective training better for group spirit sustenance and group enthusiasm Give the reasons behind the innov. Knowledge, invite input, consider views, better understand the implementation perspective, they may place roadblocks, negotiate implementation with them (employees)
Trust	Be authentic, mind people's feelings,	Building: Honesty, loyalty, consistent	

	listen, body language, demonstrate (shows you care and catches interests) Honesty, transparency, consistency	delivery	Honesty, consistency, integrity
Motivation/Rewards	Praise, acknowledge, recognize skills and achievements, financial incentives. Rewards benefits: better performance, follower identifies with the company	Financial reward, acknowledgement Rewards benefits: Want to do more and better.	Acknowledge, praise, financial reward. Advantages: Enhanced Performance.
Organizational Structure	Frequent consideration of innovative ideas, credit given to innovators, frequent feedback (dydically) supervisors/managers/champions present ideas in seminars to spread within the organizat, collaboration, communication and consultation	Demonstrator: benefit: shows that it works Real visible ladder that's easy to climb from top to bottom Initiative, collaboration, communication, and regular consultation	Regular communication, Collaboration, consultation, group discussion, criticality Flexible hierarchy, open doors
Feedback	Benefit: Energy level goes high; given in the middle and end of assignment. Accountability: results, outcomes and outputs are praised, and performers rewarded. Leader: don't take negative feedback personally. Two-ways feedback Humility required in leaders to accept negative feedback	Positive: -Encourages to do more and lifts morale. -Sustains, reduces stress and fear, they become effective, more manageable Point out the mistake and help them reform To manager: Truthful and honest	Encouragement, improvement, Positive feedback: Encourages, be honest. Negative feedback: Don't judge, be honest, can demotivate if unwisely delivered
Collaboration	Micromanaging: Bad, takes away abilities, Remedy: Let people be creative	Micromanaging: Bad when they are competent stifles them, Good: When there are delicate and Costly instructions to be meticulously implemented. Make them part of the vision, use a simple language	Mutual assistance, assist without macromanaging Ask them the help they need, Support them accordingly

Communication/Exch ange **Leader-Follower**	Straight forward, respectful, collaborative, have faith in the followers, good communication, listen and evaluate Be patient as they talk	Use the language they understand, adapt communication to their skills/situations levels, Conflict management: Seek the causes, embrace and manage LOVE and care for the team members, collaborative relationahip, Informal and formal training	The content and the way of expression Use simple language the receipeint can understand, use medium that can tell the story/convey message more effectively eg, picture, screenshot
Technology Advantages	Easier, user-friendly, faster, more efficient in knowledge transfer	Streamlines work, simplifies work, is fast in knowledge transfer	Can perform complex work, Efficient, precise.
Technology Limitations	Simplifies knowledge transfer, Inability to transfer feelings and emotions	Can't effectively transfer emotions and feelings: Integrity, Over-reliance; takes away the natural ability Information overload. Remedy: Take what you need	Inability to transfer feelings and emotions
Technology Downside	Information overload		Information overload Remedy: Prioritize