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**Managing resistance to transfer of
knowledge in MNCs**

by

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The establishment of foreign subsidiaries may have a number of goals varying from establishment of units that provide cheap labour and low manufacturing costs to acquisitions of knowledgeable subsidiaries in order to enhance existing products and innovate new products. In the latter case an MNC must possess some unique strategic capability that enables it to manage the knowledgebase of the MNC to gain such benefits.

One possible way to achieve such enhancement and further development of products may be transfer of knowledge between the various parts of the MNC and the creation of new forms of knowledge (Gooderham & Nordhaug, 2003) formal and planned change processes within MNC's.

The literature on change management indicates that any sort of intervention that disturbs the existing work routine in the MNC may be regarded as a "foreign" element in the organization and cause resistance.

The aim of this paper is to identify and discuss potential reasons for resistance to share knowledge, and to propose that the development of social capital through networks may be a promising solution to overcome such resistance.

Rapid technological development and the frequent need to change strategy just to remain competitive are increasing the pace of change experienced by organizations and those who work in them (Balugun & Hailey, 2004). A substantial portion of firms have concluded that they can only successfully exploit their assets to the fullest by transferring them across national boundaries within their own organizations by acquiring, developing and integrating strategically important assets located in other countries. The establishment of foreign subsidiaries may have a number of goals varying from establishment of units that provide low manufacturing costs to acquisitions of knowledgeable subsidiaries. Regarding the purpose of low manufacturing costs, the MNCs have a number of advantages due to their size which provides them with the opportunity to achieve vast economies of scale in manufacturing and product development. Furthermore their location in many countries may be used as a bargaining chip in obtaining favourable conditions from governments. Concerning the purpose of enhancement of existing products or scanning new environments for fresh ideas, talent and innovation, global presence exposes the firms to new ideas and opportunities regardless of where they occur which may enhance the firms ability to refine existing products, innovate new products and thereby stay competitive (Gooderham & Nordhaug, 2003).

Despite of the great advantages associated with expanding to foreign countries, the Templeton Global Performance Index (2001) reveals that many MNCs are not particularly good at managing their foreign activities. In order to coordinate and leverage the potentials of their distributed capabilities, the MNCs' may attempt to induce some particular knowledge or organizational practice that it views as a valuable resource or capability throughout the firm (Björkman & Lervik, 2007). Such knowledge transfer may however be impeded by a number of factors like: the nature of the knowledge or practice (Tsoukas, 2003, Makino & Inkpen, 2003), lack of appropriate knowledge management structures (Von Krogh, Ichijo & Nonaka (2000), lack of trust and cooperation (Morris & Empson, 1998) improper incentive systems (Ghoshal & Bartlett, 1998) and the role that individuals play in the knowledge transfer process (Empson, 2001).

This paper will focus on hindrances to knowledge transfer based on resistance to both disseminating and receiving knowledge to/ from other divisions or units in an MNC and how to deal with such hindrances. As transfer of knowledge may be a reciprocal process between headquarter and subsidiaries and also between subsidiaries, the dispatcher of the knowledge will be denominated as "source" and the target of the transfer will be denominated as the "recipient" throughout the paper.

Planned transfer of knowledge within the MNC involves some sort of intervention that may be regarded as a "foreign" element by the receiver, and thereby as a change in the existing work routines. The change management literature indicates that any form of change may cause resistance. The aim of this paper is to draw on the literature on resistance to planned change in an effort to explain and understand barriers to knowledge transfer in MNCs. Planned change is defined as "consciously driven by change agents whose primary focus is to improve the situation and steer towards a desired end state" (Poole, 2004). This implies that there has to be some awareness of a need for improvement – be it enhancement of organizational performance, the employees' activities or any other improvement. Furthermore one has to identify a desired end state, find appropriate strategies and techniques to achieve it and finally implement and adjust the chosen course of action until the desired end state is reached. This process resembles knowledge transfer in that planned knowledge transfer also involves some awareness of a need for improvement, identification of possible solutions and

transfer of the chosen solution to appropriate recipients (Szulanski, 1996). A common denominator in planned change and planned knowledge transfer is that both are driven by change agents. Several scholars have reported that change agents frequently encounter resistance to change by the employees (e.g. Lie & Perrewé), and that employee resistance is often directly attributable to failure of change programs (Bovey & Hede, 2001, Spiker & Lesser, 1995). However, there is a considerable body of research that suggests that resistance is a natural response to change, and that it can be overcome by the application of appropriate strategies (Diamond, 1986).

This paper is organized as follows: first sources of resistance to change are identified from the change management literature. Based on the conceptualization of knowledge transfer in MNCS as similar to planned organizational change, I then discuss how the same sources of resistance may apply in knowledge transfer situations. Finally, I will discuss how social capital/ networks can contribute in overcoming such resistance.

Resistance to change

Existing views of resistance to change emphasize different conceptualizations of the concept. Some scholars portray resistance in terms of intentions to take some action, others define resistance in emotional terms yet other scholars view it as a cognitive state (Piderit, 2000, Ashford and Mael, 1998, Argyris, 1993, Bartlem and Locke, 1981). However, it has been suggested that each view represents an important part of employees' responses to change and must be integrated to offer a more complete understanding of how individuals respond to change (Piderit, 2000). Although there is considerable overlap between each view, there are some important differences between them. Barriers to change associated with each aspect will be discussed next.

Emotional aspect

The emotional aspect points at an individuals feelings in response to an object and has been acknowledged by several scholars (Liu & Perrewé, 2005, Piderit, 2000, Vince & Broussine, 1986). According to Spiker and Lesser (1995) every major change process may elicit a number of feelings like anger, denial, loss and frustration. Such feelings may be quite intense, especially at the onset of the change, which may be dysfunctional and increases resistance unless excitement and a positive emotional climate is facilitated (Liu & Perrewé, 2005). Emotional upheavals may be connected to several factors like perceived threats to important aspects of one's identity e.g. ones' job, position, status, specific tasks, competence and work area. Changes that affect any of these aspects may cause anger, sadness, anxiety, low self-esteem and fear of undesirable alterations to ones identity. Furthermore threats of losing possibilities of promotions and/ or potential of losing meaningful relationships may also be frustrating and frightening (Jacobsen 2004, Davidson, 2002, McHugh, 1997). In addition, any major change may bring about undesirable alterations in individual autonomy which may lead to grief (Hardy & Clegg, 1996) The employees may also fear that their efficiency to accomplish or cope with new demands and assignments may decrease, leading to perceptions of loss, grief, anger, sadness, anxiety and low self-esteem (Sullivan & Guntzelman, 1991).

In short, major changes may be perceived as a threat to losing something valuable and thereby cause emotional turmoil.

Cognitive aspect

The cognitive aspect refers to individuals' beliefs about an object (Piderit, 2000). Washington and Hacker (2005) suggest that reduced understanding of the process and content of the change, and beliefs that the change will fail may increase resistance towards the change. This may be due to lack of proper skills, abilities and confusion about which roles the employees have to play in future (Szulanski, 1996, Pretorius, 2004). Due to lack of understanding and necessary skills, a state of uncertainty, stress and perceptions of reduced control may arise. Individuals try to escape from such aversive conditions by seeking information to make sense of the change and hence enhance their levels of efficacy to deal with the change process (Terry & Jimmieson, 2003) by creating their own interpretations of the situation themselves and the perceptions and intentions of others (Bovey & Hede, 2001). However, the individuals' cognitive appraisal does not always reflect the objective world, especially under the influence of intense emotions and may therefore give rise to cognitive distortions that may impair effective adjustment to the change. If such distortions are not corrected, unrealistic fantasies about the outcome of change, negative assumptions about the purpose of change and high levels of stress, anxiety and fear will create resistance against the change (Orth, 2002).

However, several scholars have proposed that people do not resist to the change per se, but rather due to perceptions of unfair treatment or the way the change is implemented (Folger & Skarlicki 1999). Perceptions of low levels of justice or perceptions of violation of psychological contracts may be sufficient to cause resistance even if the change proposal itself is viewed as fair (Orth, 2002). Thus, lack of skills, information and faith in the change process, misconceptions and perceptions of unfair process will hamper the implementation of the change.

Intentional aspect

The intentional aspect refers to a plan or resolution to take some action (Piderit, 2000). According to Orth (2002) individuals rarely express resistance without a careful consideration of the benefits and costs associated with the change before acting for or against it. Personal benefits may concern the individuals' future expectancies and refer to personal assessments as to whether one's goals are congruent with the goals of the planned change (Guth & Macmillan, 1986). As the direction of the change may or may not be congruent with personal goals or the goals of larger groups, like specific units or professional groups, the employees may reinforce their sense of belonging to particular groups or espoused value systems that possess characteristics which are compatible with the individual. They simultaneously make for uniformity within that group by reciprocal influence and distance themselves self from other groups (Child & Rodrigues, 2003, Tajfel, 1982, Turner, 1987). Furthermore, in times of scarce resources, they may engage in self-serving behaviour at the expense of the benefits of other groups or the organization as a whole. The result of such competition may be counterproductive to the change process. This phenomenon has been studied by Guth & MacMillan (1986), who suggested that delegation of authority to subordinates, which implied that the middle management might become redundant, led to self-serving behaviour that went counter to the change.

Another source of subgrouping may be the degree of one's psychological and actual investment and faith in the organization's current strategies. The higher the investments in the current strategies, the more likely one will remain committed to those strategies, and the less likely one will perceive the change effort as beneficial or desirable (Staw, 1981). Any

coercive attempts to accomplish the desired change without building commitment to the change, may cause frustration and drive employees to voice their opinions to recruit others to resist the change as well (Liu & Perrewé, 2005).

In addition, most employees expect to have their views considered and they expect to be treated with respect (Pretorius, 2004, Yukl, 2002). If the change agent imposes the change process without considering such expectations, the employees may feel that they had no input in the decision and may feel manipulated and deceived by management (Hultman, 1995). This may cause distrust between the persons affected by the change and the change agent due to uncertainty, ambiguity and misunderstandings about the intent and consequences of organizational change that may ultimately lead to arduous relationships between the management and the employees. In organizations characterised by high levels of mistrust, any organizational change may lead to misunderstandings and resistance (Yukl, 2002).

However the purpose, direction, outcome and process of the change may be interpreted in a number of ways, every perspective following its own logic and offering different predictions. Resistance by subgroups of employees holding a different view of the circumstances may be genuine efforts to resist the change caused by perceived incompatibility between the outcome of the change and benefits of the organization. In such cases the resistance may be motivated by more than mere selfishness and may be genuine efforts to try to protect the organizations best interests (Piderit, 2000).

In sum, self-interests/ political behaviour, arduous relationships, distrust and strong belief in - and commitment to existing affairs may evoke resistance that may be expressed in some intention to act in a certain way or specific behavioural outcomes that counter the change process. Such resistance may be moderated by fear of sanctions, which may curb its overt expression. Threats of penalties or sanctions can discourage expressions of resistance and may thereby alter its expression from an active form like, overt protests and sabotage, to passive expressions like intentionally decreased efficiency (Jacobsen, 2004, Piderit, 2000)

Several scholars have suggested that the individual's responses to any behaviour may be explained as the product of the individuals emotional, cognitive and intentional processing (Kaufmann & Kaufmann, 2003). This implicates that any attempt to overcome or reduce resistance should target all three aspects of it.

Before proposing social capital and network as a promising framework for overcoming resistance to knowledge transfer, I will like to focus on complexities connected to the transfer of knowledge that may complicate the process of sending and receiving knowledge.

Knowledge transfer and barriers to send or receive new knowledge

The transfer of knowledge is defined as "... accepting what the partner does, integrating it into one's own systems or changing one's own resources to imitating it" (Lane, Greenberg & Bedrow, 2004: 345). There is a number of complexities regarding transfer of knowledge, including the type of knowledge being transferred, the context, the organizational capabilities of the source of knowledge and the recipient of the knowledge (Szulanski, 1996). Knowledge that requires substantial effort to transfer is referred to as sticky knowledge (Szulanski & Carpetta, 2003).

The organizations knowledgebase may be both codified, tacit and socially complex. Transfer of knowledge within different units of the MNC may be hampered due to its *tacit nature*. A

major challenge regarding tacit knowledge is that it is not documented or codified. Rather it resides in the memories and understandings of the organizations members (Lane, Greenberg & Bedrow, 2004) and disappears if the proprietor leaves the organization. Such knowledge is transferred in complex interrelations between people and is supported by the organizational culture. Transfer of tacit knowledge will stop if established relationships and the social structure that supports such knowledge creation and transfer are disturbed or broken (Makino & Inkpen, 2003). As noted in the discussion of the intentional aspect of resistance to change, intergroup conflict and different views on the organizational benefits of the change may give rise to tensions between groups whose cooperation with each other is critical for the success of the knowledge transfer.

The knowledge may also be context dependent and hence lose its value in cultures or settings in which it was not originally developed, and may be perceived as inappropriate by the recipient. (Lane, Greenberg & Bedrow, 2004, Makino & Inkpen, 2003). Even if such knowledge has been successful in one setting, it may not necessarily be perceived as appropriate elsewhere. Any efforts to transfer it to new contexts may be viewed as futile and even illegal in other practical, social and political contexts and may hence give rise to resistance (Child & Rodrigues, 2003). Particularly those recipients who are obligated to comply with the objectives of the source and perceive themselves as dependent on support from the source for providing major resources (Kostova & Roth, 2002, Meyer & Zucker, 1988) may succumb to organizational which may lead to grief and cause frustration, anger and feelings of resignation due to perceptions of reduced autonomy, unfair treatment and commitment to existing strategies that are perceived as incompatible with the change (Hardy & Clegg, 1996).

Regarding the organizational capabilities of the organizations involved in the transfer, there may be differences regarding lack of formal structures and systems, incentive systems and norms for knowledge sharing (Lane, Greenberg & Bedrow, 2004, Szulanski & Capetta, 2003). Failures to take advantage of the change may augment frustrations and possible resentment in both sources and recipients of the change.

As shown above, a number of characteristics of knowledge augment, resistance to change. Next, I will focus on some barriers to knowledge transfer that are common with barriers to change.

Emotional barriers to knowledge transfer

Knowledge transfer may be perceived as a major change process, and announcements of such may create a highly stressful environment (Cartwright & Cooper, 1992). Especially if knowledge acquisition is an explicit objective, the employee's primary asset may be his or her private knowledge base which may give that person a particular status, position of privilege or of superiority in the organization. Codifying, sharing and disseminating knowledge may diminish the person's power, importance and even make him or her expendable which may lead to emotional upheavals and reluctance to cooperate with management in codifying and disseminating knowledge (Makino & Inkpen, 2003, Szulanski & Capetta, 2003). Furthermore individuals, who are asked to surrender their knowledge under stressful conditions whilst being offered little of value in return, may fear that they are being exploited. This may be emphasized if the incentives for knowledgesharing are absent.

Mixed and possibly conflicting messages about the value of the objective from the parent and the local environment may increase emotional arousal and negative feelings towards knowledge sharing (Kostova & Roth, 2002), and thereby increase resistance. Thus the emotional barriers to knowledge transfer cause emotional turmoil similar to what individuals experience in major change processes when facing threats to losing something valuable.

Cognitive barriers to knowledge transfer

Requests for knowledge sharing are usually put forward when acquisition and dissemination of knowledge is an important objective of the acquisition. Such circumstances may be highly uncertain and ambiguous regarding possible redundancies, loss of status, alterations to established practices and confusion about future roles of the employees (Empson, 2001, Szulanski, 1996, Pretorius, 2004). Such circumstances resemble the turmoil created by any major changes and may probably evoke similar needs to make sense of the situation by searching for relevant information and making interpretations that may include cognitive distortions.

Yet another problem concerns the ability to absorb new knowledge. According to Cohen and Levinthal (1990) the ease of transfer is greatest when the object of learning is related to what is already known. Knowledge transfer will be most difficult to contexts where the existing knowledgebase is incompatible with the transferred knowledge, lack of shared social knowledge and cognitive categories, and incompatible, norms and assumptions regarding practices the source wishes to transfer (Kostova & Roth, 2002). If the recipient lacks absorptive capacity it will be less likely to recognize the value of the new knowledge and less likely to apply it successfully (Maikino & Inkpen, 2003). Even if the recipient adopts some practice ceremonially, the practice may not persist when difficulties experienced during the application of the system arise, or if it is perceived to be invalid and hence meaningless when applied in a new context (Szulanski & Carpetta, 2003, Chakravarthy, 2003). Perceptions of the knowledge being transferred as meaningless applies especially to knowledge with no proven record of past usefulness exists, when the source is not considered trustworthy and when the source is not perceived to be have the ability or integrity to successfully transfer the knowledge or practices (Bjørkman & Lervik, 2007, Szulanski, 1996). A study by Empson (2001) indicates that the knowledge transfer was compromised by dissimilar understanding of the industry the enterprises was operating in, and different content. Thus, lack of information and absorptive capacity will hamper the implementation of the change.

Intentional barriers to knowledge transfer

Perceived personal losses connected to the knowledge transfer (e.g surrender of ownership, privileges and superiority) may outweigh the benefits of the new knowledge and practices being transferred. Any failure to create commitment and motivation to internalize and utilize the knowledge, may at best lead to mimicry on the part of the recipient without any change in attitudes towards what is being transferred and thus creating passive resistance (Bjørkman & Lervik, 2007, Szulanski, 1996).

The relationship between the source and the recipient is also an important aspect. An intimate and trustful relationship facilitates knowledge transfer. Conversely, an arduous relationship might make transfers difficult and any knowledge sharing will not occur until the employees are confident that they will not be exploited and they have positive assumptions of the others (Child & Rodrigues, 2003, Empson, 2001, Tajfel, 1982, Turner, 1987). If the change agent is

not perceived as trustworthy, the recipient will become suspicious towards the underlying agenda and purpose of the practices and the resistance may be manifested in a number of activities such as foot dragging, passivity, overt or hidden sabotage and rejection of the implementation of new knowledge (Szulansky & Capetta, 2003).

The central intentional barriers to knowledge transfer, i.e. self-interests/ political behaviour, arduous relationships, distrust and strong commitment to existing affairs, resemble the barriers to change and may evoke resistance to varying degrees.

The abovementioned barriers to knowledge transfer may be handled by different strategies. Research has proposed two different solutions; exogenous governance mechanisms and different forms of social capital (Björkman & Lervik, 2007), which will be reviewed next.

Governance mechanisms:

The source may apply governance mechanisms to induce certain knowledge or practices. However, several studies have shown that such strategies may be perceived as coercive, alienate the recipient and increase the resistance towards the transfer (Björkman & Lervik, 2007, Kostova & Roth, 2002). Kostova and Roth (2002) have reported that even if coercive governance strategies may produce some desired behaviour or practice, the displayed behaviour may simply be mimicry without any internalization of the knowledge and the recipient is hence not exploiting the knowledge in the best interest of the corporation. This may indicate that relying solely on governance mechanisms to facilitate internalization of knowledge may be counterproductive and probably augment the resistance to the transfer of knowledge. Thus I will not pursue this further, but rather turn attention to the theory of social capital that has been proposed to facilitate the transfer of knowledge (Björkman & Lervik, 2007).

Overcoming barriers to knowledge transfer: the role of networks and social capital

Nahapiet and Ghoshal (1998: 243) define social capital as ‘the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit’. Social capital may be split into structural, relational and cognitive capital. The structural dimension of social capital focus on interpersonal linkages between people or units, the cognitive dimension of social capital includes shared representations, interpretations, language, codes, narratives and systems of meaning among parties, and finally, the relational dimension of social capital focuses on the personal relationships among individuals in terms of trust. According to Nahapiet and Ghoshal (1998), each of the three dimensions has a direct impact on knowledge sharing.

A central proposition of social capital theory is that membership in networks of mutual acquaintance and recognition provides its members with a number of benefits. Such benefits include access to other individuals with whom one may interact and exchange information and ideas which may ultimately lead to shared cognition (Nahapiet & Ghoshal, 1998). According to von Krogh (2003) individuals who share work activities and engagement by proximity and interaction over a period of time, develop shared identity, language, artifacts, norms and values that may strengthen the interaction ties between them. The perception of shared identity and sense of community may facilitate friendships, strengthen relationships and build necessary trust to reduce stereotypes, prejudices and uncertainties. Furthermore, certain benefits such as privileged access to information that increases the efficiency of action

may also be increased, (Nahapiet & Ghoshal, 1998), which may ultimately be used to create and transfer desirable knowledge. A prerequisite for this is that each member of the network believes that others are trustworthy and will reciprocate in some fashion (McDonough, Spital & Athanassiou (2004). As will be discussed later on, proximity and interaction lays the foundation for trust.

I will now turn to a brief discussion on how social capital and networks may contribute to overcoming resistance to transfer of knowledge between different members of the network.

Strategies for overcoming resistance to transfer of knowledge through networks

As suggested above transfer of knowledge may imply that certain tasks, positions or competencies may become redundant. This may be perceived as threats to something one perceive as valuable (Makino & Inkpen, 2003). Resistance due to such perceptions may be reduced by making efforts to increase the employees' sense of ability to adjust to the change (Liu & Perrewé, 2005 Fishbein & Ajzen, 1980).

One way to facilitate such adjustments is through the establishment of networks. The aim of the network is to provide access to valuable information on available opportunities and knowledge before it becomes available to others. It also provides referrals to important sources of information that may be useful in pursuit of particular information and knowledge. Access to networks thus offers an arena where individuals may establish relationships and interact with other members who may have valuable knowledge to enhance individual skills and knowledgebase, thereby enabling the individual to do a better job, adjust to new demands or to cope with new demands and assignments. Furthermore access to an arena where knowledge is shared and created in novel ways, may facilitate innovation and expand the individual's area of expertise (Nahapiet & Ghoshal 1998). Exploiting such knowledge and opportunities puts the individual at an advantage regarding promotions, finding alternate jobs within the firm to avoid redundancy and attaining other advantages. Increased knowledge may also give the individual necessary competence to negotiate, make adaptations or propose alternate solutions to any knowledge being imposed from external sources and hence retain some degree of autonomy and control with the situation. Finally, an important advantage is that restricted access to important networks places members of these networks in a privileged position and may thus strengthens ones status and power.

According to Szulanski (1996) the members of the network must have some knowledge in common in order to understand and make use of the resources embedded in the network. I will turn to such absorptive capacity next.

Szulanski and Capetta (2003) suggest that the ability to exploit new knowledge depends largely on prior related knowledge. Incompatible knowledge and reference backgrounds make the individuals less likely to recognize the value of the new knowledge, less likely to recreate the knowledge and less likely to apply it later on. In addition, tacit knowledge and the embeddedness of the knowledge make it hard to transfer and grasp by the recipient.

In networks the transfer of knowledge may be facilitated through organizing of face – to – face meetings that offer the possibility to get hands – on experience and make use of nonverbal forms of communication to transfer tacit knowledge. It also facilitates closer inquiries by the recipient, thereby facilitating a reciprocal communication process that eases the knowledge transfer. Furthermore, employment of myths, stories and metaphors that cut

across different contexts facilitates exchange of explicit and tacit knowledge through imaginative and literal observations and cognitions (Nahapiet & Ghoshal, 1998).

Employment of narratives may also counteract the problem of embeddedness as it enables individuals belonging to different parts of the MNC across different time and situations to use shared narratives for their own purpose (Bartell & Garud, 2003). According to Bartell & Garud (2003: 324) "...narratives bring together people that operate in different realities, enabling them to interpret each others experiences and formulate possible applications to their work context". This may reduce the problem of embeddedness of knowledge as one develops greater understanding for the assumptions behind the knowledge being transferred and may initiate discussions on how such knowledge may be moulded to become applicable in different context, thus expanding the scope and fit of the knowledge to different contexts or task at hand. Such discussion may even facilitate combination of pieces of knowledge in novel ways that may ultimately lead to innovation and enhancement of existing products.

Thus knowledge transfer across different contexts may be carried out in networks which facilitate transfer of knowledge that may be embedded in diverse cultures and tacit knowledge by the use of multiple techniques like employment of narratives, nonverbal communication and hands on experience.

As identified elsewhere that lack of information may cause ambiguity and cognitive distortions which are important impediments to change (Maikino & Inkpen, 2003, Szulanski and Carpetta, 2003, Chakravarthy, 2003).

Anxieties regarding uncertainties about the purpose, process and outcome of the knowledge transfer process may evoke needs to make sense of the situation by searching for relevant information. If the management fails to provide information regarding the purpose and process of the change, anxiety provoking rumours are likely to pervade the organization, making the organizational climate tense and employees feeling more unsettled about the future (Semeltzer, 1991; Semeltzer & Zener, 1992). Such cognitive distortions must be corrected to counteract high levels of resistance (Bovey & Hede, 2001, Coghlan, 1993,).

Thus one key task for change agents is to help individuals form realistic views of their situation, their coping potential, and help employees to appraise their situations accurately (Liu & Perrewé, 2005). This task may also be carried out by tailored interventions in specific networks or groups specifically designed for this purpose and made up of a mix of employees from relevant groups and change agents. Such arenas may offer possibilities to air private assumptions about the purpose and process of the change. It may also lead to the discovering of undetected conflicts and ambiguities. By sharing information about the perceived purpose of the knowledge sharing or assessments of the process different frames of reference and interpretations of the environment may be achieved. This gives the change agents room to correct possible misconceptions. Furthermore it gives room for sharing different views on the idea of - and implementation of knowledge sharing processes which may give rise to new and creative ways to utilize and adapt the knowledge to suit different parties, thereby initiating synergies.

Finally arduous relationships may arise due to perceptions of unfair process, stereotypes, self-serving behaviour, lack of trust, and lack of commitment

This may be dealt with by offering arenas that provide proximity and contact with people not belonging to one's own group, which has been shown to reduce stereotyping and prejudice, and hence facilitate trust and increase affective relationships (Taylor & Osland, 2003, Nahapiet & Ghoshal 1998). Strong, symmetrical ties combined with affective relationships facilitate necessary motivation to engage in high levels of interaction and knowledge exchange (Nahapiet & Ghoshal 1998). Trust may also facilitate the sharing of personal incentives that may be reframed to serve some joint objective that dissolves the boundaries between the different subgroups and may give rise to shared identity between all the members of the group or network. Finally, high levels of trust between the source and the recipient increases willingness to participate in the change process by exchanging different perspectives, ideas and inputs that may foster creative ideas to modify the change process to better suit the local context, find ways to make the process even more efficient and find novel ways to utilize the knowledge being transferred. This is supported by research that shows that people are more willing to engage in cooperative interaction, more willing to experiment with combining different sorts of information and take risks in such exchange when there are high levels of trust between the interacting parties. By providing arenas that stimulates cooperation, norms of cooperation and willingness to engage in social action will increase because there is a reciprocal dependency between trust and cooperation. Such norms may facilitate exchange processes and ensure motivation (Nahapiet & Ghoshal, 1998).

Proximity, good personal relationships and close interactions facilitates commitment, which is an essential element of successful change efforts. High levels of commitment to the suggested change will reduce the resistance to change (Orth, 2002). One important task for the change agent is hence to portray the new knowledge and practices as beneficial and attractive to the employees. This may be carried out by building shared attitudes towards the practice or knowledge being transferred in the network by offering in depth explanation for the decision of the transfer and stimulating people at all levels and all functions to get actively involved in the identification, documentation, transfer and use of the knowledge (Kostova, Athanassiou & Berdrow, 2004). Any failure to create commitment and motivation to internalize the desired practices and utilization of the knowledge, may at best lead to mimicry on the part of the recipient without any change in attitudes towards what is being transferred and thus creating passive resistance (Bjørkman & Lervik, 2007, Szulanski, 1996).

Implications for the change agents:

A prerequisite for the optimal functioning of such networks is that each member believes that others are trustworthy and will reciprocate in some fashion (McDonough, Spital & Athanassiou (2004). Several scholars suggest that face- to – face encounters is important in building understanding and trust, and that such relationships elicits increased willingness to engage in social exchange and cooperative interaction (Putnam, 1993, I Nahapiet & Ghoshal, 1998). In fact, relationships may degrade when people do not meet face to face (McDonough, Spital & Athanassiou, 2004). As it takes time to build trust, the stability and durability provided by such interactions are critical (Putnam, 1993, I Nahapiet & Ghoshal, 1998).

Trust may also facilitate the building of social norms of openness, sharing and cooperation that creates obligations and expectations to stick to the norms and values of the (Nahapiet & Ghoshal, 1998). Networks built to foster social capital must hence provide the possibility to interact face to face on a regular basis over time, as it takes time to build trust and sense of community.

Members of the network should also be drawn from different divisions, professions and cultures to provide diversity of opinion which is an important way of expanding knowledge (Nahapiet & Ghoshal, 1998). Furthermore, norms that value and respond to diversity, openness to criticism and tolerance of failure must be established and constantly reinforced in order to make the most of the diverse knowledge and perspectives available (Leonard – Barton, 1995, Nahapiet & Ghoshal, 1998). An important challenge regarding diversity is communication barriers that may be due to both linguistic ability, difference in actual words used to communicate an idea and cultural differences in how words are used and how thoughts, feelings and information is communicated (Lane, Greenberg & Berdrow, 2004, Taylor & Osland, 2003). Such challenges underscore the importance of proximity, collocation and face – to – face interactions that facilitates the flow of more complex information (Lane, Greenberg & Berdrow, 2004).

Finally trust and cooperation are facilitated by ascribing equal status, group interdependent efforts towards common goals, high potential for cross – group friendships, positive experiences that counter negative stereotypes and authority sanctions (Taylor & Osland, 2003, Pettigrew & Tropp, 2000).

The table summarises important barriers to transfer of knowledge, how these may be handles by building networks that facilitates the establishment of social capital and how it works.

Table

Barriers to knowledge transfer			Networks provide	Reduces barriers by
Emotional	Fear of losing something valuable	Job security Promotions	Access to information and referrals	Reduces fears by expanding knowledge about vacant jobs and possibilities
		Competence,	Access to a diversified pool of knowledge	Enhances knowledgebase, skills, and innovation
		Power/ status.	restricted access	Provides unique information and referrals that strengthen power and status
		Autonomy	Access to a diversified pool of knowledge	Provides knowledge that enhances ability to modify the knowledge to fit context and tasks.
Cognitive	Uncertainties,	Ambiguity due to lack of information	Provide information about purpose and knowledge transfer process	Provides clearer picture of future and reinstates sense of control
		Cognitive distortions	Provide information about purpose and knowledge transfer process	Expands perspective and correct misconceptions
		Absorptive capacity	Narratives Mutual communication	Enhances understanding
		Subgroups	Mixed groups Proximity interaction	Builds commitment, trust
Intentional	Arduous relationships	Self-interests	Mixed groups	Creates overarching strategy and goals that unify different needs.
		Lack of commitment	Participation	Creates ownership to the process
		Lack of trust	Proximity	Reduces stereotypes and prejudices

Conclusion:

Most employees expect to have their views considered and they expect to be treated with respect (Pretorius, 2004, Yukl, 2002). This may suggest a need to participate in ongoing change processes in some way. Research suggests that when fair procedures and personal interactions convey that the organization value and respect the employees, employees may accept even less desirable change (Orth, 2002). Development of social capital in organized networks is one possible arena for employees to genuinely participate in - and grant influence to the change process that will impact their future. In addition, building social capital in networks target the emotional, cognitive and intentional aspects of the resistance by providing arenas where emotional upheaval may be dealt with in constructive ways that may have cathartic effects, a sense of community may be built to facilitate insight into different perspectives and needs that may be unified, and influence the intentional aspect of resistance through communication of norms and values that are consistent with the underlying purpose of the knowledge transfer.

However, transfer of knowledge and building social capital in networks is not an easy task. Major challenges related to this solution is that it may be considerable time-consuming. Furthermore it may be difficult to operationalize and measure its results. Yet another challenge may be related to power issues in the sense that power and authority may be unequally distributed amongst the participants of the networks, or between the change agents, source and recipient of the knowledge. This may complicate the establishment of open and trusting relationships, and result in timidity and uneasiness in expressing concerns, critique and alternate routes to the line of thought held by the majority of the network. Such challenges call for further investigation.

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