Knowledge Transfer in Service-Business Acquisitions

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In the post-acquisition integration process, organizations need to transfer different types of knowledge from one organization to another in order to align their operational routines, practices and culture. Our aim is to identify the critical factors that relate to knowledge transfer in terms of the different knowledge types. We conducted a qualitative case study from an exploratory perspective. We first selected a case firm operating in the knowledge-intensive business services (KIBS) field and then incorporated four different acquisition cases into the study. The results focus attention on the need to understand the “soft types” of critical factors in knowledge transfer, such as valuing employees, easing interpretation, identifying employee competences, building trust, creating a safe atmosphere, and diagnosing knowledge cultures in order to avoid information-management bias. It is necessary to identify the nature of the knowledge to be transferred to the acquired companies, and to align the communication patterns accordingly.

Keywords: knowledge, knowledge transfer, services, service business, acquisition

Introduction

Knowledge transfer is defined in the literature as a process through which one unit is affected by the experience of another (Argote & Ingram, 2000; Szulanski, 2000). Understanding knowledge transfer is accentuated in the knowledge-based view of the firm (Grant, 1996), which is seen as a vehicle for integrating knowledge. Path-dependent, specialized and dispersed knowledge is a critical source of value, yet firms differ in their ability to transfer it. Knowledge transfer is therefore a crucial aspect of various intra- and inter-
firm relations varying from inter-departmental coordination to knowledge management in multinational firms, customer relationships, alliances and acquisitions.

Knowledge-intensive business-to-business services (KIBS) are co-created in close interaction with knowledgeable individuals and supporting systems. The intangible and heterogeneous nature of services and the inseparability of service provision and use make service-related knowledge transfer complex and therefore especially challenging. Service-business-related knowledge is deeply embedded in humans, as well as in systems, structures and processes.

Our focus in this paper is on service-business acquisitions, which is a major means of business growth. Acquisitions offer potentially faster and more efficient access to knowledge than organic growth (Bresman et al., 1999). In terms of value-creating opportunities the issue of knowledge transfer is of particular importance in acquisitions, which involve the transfer of complex bodies of organizational knowledge. We concentrate on the post-acquisition integration process, especially the first 12 months preceding the state of organizational integration.

Much of the knowledge needed to produce services is tacit in nature and therefore difficult to transfer (e.g., Ritala et al., 2011). However, as Guzman (2008) notes, prior research on knowledge transfer has overlooked practical knowledge. Most studies focus on explicit forms such as technology-related knowledge (Bresman et al., 1999), or take a purely analytical view at the expense of understanding how knowledge is transferred in practice (Jasimuddin, 2007). We claim that it is useful to approach the issue from a more practical perspective, when different types of knowledge need to be transferred from one organization to another in order to align the operational routines, practices and culture. Hence, our aim in this paper is to identify the critical factors related to knowledge transfer in terms of the different types of knowledge involved.

**Literature review**

Knowledge is transferred through the interactions of organizational members and units (Grant, 1996), in other words it involves both individual and organizational levels and their interplay. Four types of factors appear to affect the transfer (Leonard-Barton, 1990; Rogers, 1983; Teece, 1977). These factors are related to the characteristics of the knowledge being transferred (e.g., causal ambiguity, unproven usefulness), of the source (e.g., motivation,
reliability), and of the recipient (motivation, absorptive capacity, retentive capacity, i.e. institutionalizing the utilization of new knowledge), and finally to the context in which the transfer takes place (involving aspects such as formal structures, coordination and the nature of relationships). (Szulanski, 1996)

Let us first consider the nature and type of knowledge in more detail. Kogut & Zander (1992) present two seminal typologies of knowledge, namely the organizational knowledge consisting of information (facts) and know-how (skills and higher-order organizing principles) existing on the individual, group, firm and network levels. Spender (1996) describes types of organizational knowledge as either tacit or explicit, and further builds his typology on conscious (explicit) knowledge held by the individual vs. objectified (explicit) knowledge held by the organization, as well as on automatic (preconscious) individual knowledge vs. collective (highly context-dependent) knowledge manifested in organizational practice.

Grant (1996), together with Nonaka & Takeuchi (1995) and Tsoukas (1996), consider explicit and tacit knowledge “inseparably related”. According to Tsoukas (1996), an individual’s knowledge may consist of 1) role-related normative expectations, 2) dispositions formed in past socialization and 3) local knowledge of particular circumstances of time and place. He sees a firm’s knowledge as emergent, not possessed by a single agent, partly originating “outside” the firm, and very complex at any point. According to Nonaka & Takeuchi (1995) and Spender (1996), organizational knowledge evolves through social interaction between tacit and explicit knowledge. In practice these different types and phases of knowledge creation can be difficult to observe given that the conceptual categories used to classify them are rarely discrete, separate or stable (Tsoukas, 1996).

Thus a firm acquiring another firm deals with various types of distributed knowledge embedded in individuals, systems and processes. We can infer from Spender’s (1996) typology that the conscious and explicit knowledge held by an individual is rather easy to transfer if the individual is motivated, willing and understands its value (see also Szulanski, 1996). The objectified and explicit knowledge held by the organization is also relatively easy to transfer between the acquired and the acquiring firm. Both automatic and preconsciously individual knowledge, as well as collective and contextual organizational knowledge are much more challenging. Table 1 gives a summary of the various knowledge types.
Table 1: Types of knowledge: explicit-implicit and individual-collective dimensions (Spender, 1996)

<table>
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<th>Individual</th>
<th>Collective</th>
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<tr>
<td>Explicit</td>
<td>conscious knowledge e.g., facts, concepts, frameworks stored in the mind</td>
<td>objectified knowledge e.g., process documentation, systems, databases</td>
</tr>
<tr>
<td>Implicit</td>
<td>automatic and preconscious knowledge e.g., perceptions, values, behavioural tendencies, technical skills</td>
<td>collective and contextual knowledge e.g., systems of meaning, organizational culture</td>
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The three types of knowledge discussed in Tsoukas (1996) could be considered different types of individual knowledge with mostly tacit characteristics: role-related normative expectations may be the easiest to transfer and change, whereas individual disposition due to past socialization as well as local knowledge of particular circumstances of time and place are the most challenging. It is a question not only of how but also of what knowledge is considered valuable, and of the relative standing of knowledge possessed by the acquiring as well as the acquired firm. Given the results of their study on retaining human capital in acquisitions of high-tech firms, Ranft & Lord (2000), emphasize relative standing, in other words the extent to which the acquirer values the skills and capabilities of the acquired firm’s key personnel.

Furthermore, professional or knowledge-intensive service firms may possess technical and client knowledge, which they use to create technology-based customer solutions. This knowledge may exist on the sectorial, organizational and individual level. Firm-specific and organizational knowledge relates to products, services and processes developed and/or used by the firm and disseminated either through formalized systems or socialization (Empson, 2001). Client knowledge, in turn, includes knowledge of the particular industry, the specific client firm and the client’s key employees.

Bresman et al. (1999) discuss elapsed time, as well as communication, visits and meetings as factors facilitating the transfer of technological know-how and the normative integration of companies. In other words, the transfer of this type of knowledge requires patterns of human-to-human communication in order to create a supportive environment or social community (Kogut & Zander, 1992). This naturally poses a challenge when the parties do not share a common location or space. Bresman et al. (1999) found that, in the context of acquisitions, the relationship between the parties is rapidly evolving:
knowledge transfer is initiated in a hierarchical manner but develops later into a more reciprocal process. This transformation into a more reciprocal relationship resulted in the transfer of more tacit forms of knowledge.

In the context of service-firm acquisitions, Empson (2001) found that employees of professional firms resisted knowledge transfer if they perceived that the merging firms differed significantly in terms of the quality of their external image and the form of their knowledge base. Key individuals may not only lack absorptive capacity and motivation, as Szulanski (1996) argues, but may also experience “a fundamental anxiety about their sense of self worth” (Empson 2001, p. 857). Empson (2001) also argues in her study of mergers in professional services that individuals with a predominantly tacit knowledge base place less value on the codified knowledge of their new colleagues, and vice versa.

Furthermore, as Argote & Ingram (2000) note, interactions between people represent the most difficult types of knowledge to transfer, yet interpersonal interaction is at the heart of socially constructed organizational knowledge (Kogut & Zander, 1992), and a source of value creation in most knowledge-intensive service businesses. In parallel with post-acquisition integration and related knowledge transfer, both the acquiring and the acquired service firm should be able to maintain the quality of their customer service, which requires most of the existing human resources and makes the smooth alignment of organizational knowledge processes both a necessity and a challenge. We believe that the current study contributes to filing a significant research gap in identifying the critical factors related to the transfer of different types of service knowledge in the context of organizational integration. We will now describe the research setting and methods used.

Methodology

The choice of research design was based on the objectives of the study. We took an exploratory perspective and conducted a qualitative case study based on multi-site, multi-phase and multi-source case-based methodology. We first selected a case firm operating in the field of knowledge-intensive business services, which had aimed at significant growth through acquisition in recent years. We then incorporated four different acquisition cases into the study. By comparing findings from the individual cases we were able to assess whether an emergent finding was idiosyncratic to a single case, or consistent within a number of them (Eisenhardt & Graebner, 2007; Yin, 2003). Hence the
multi-acquisition perspective allowed us to identify the critical factors related to the transfer of service-critical knowledge between the two organizations, the acquirer and the acquired.

We used theme and focus-group interviews (e.g., Morgan, 1996) as data-collection methods. The theme interviews focused on the role and types of knowledge, and the means of transferring it to the merged companies, whereas the emphasis in the focus-group interviews was on the types of knowledge, the means of transferring it, the critical or important factors related to the transfer process, and generating ideas for improving these processes. We interviewed 25 people from the acquiring company and the four acquired companies in May-June 2010. The interviews lasted between 70 and 90 minutes each, and produced 152 pages of transcribed data.

The analysis processes covered four consecutive phases, following the procedure presented in Auerbach & Silverstein (2003). Firstly, we carefully read through the interview transcripts in order to identify the relevant descriptions of the types of knowledge transferred. Secondly, we conducted a thematic analysis to find recurrent themes and grouped them in order to establish a typology of the different knowledge types. Thirdly, with a view to easing the identification of the critical factors we applied Szulanski’s (1996) categorization as a point of departure in the coding (the nature, context, source and recipient of the knowledge). We conducted an additional thematic analysis in order to identify recurrent ideas, which we classified accordingly. Finally, we traced the identified critical factors back to the types of knowledge transferred, i.e. linked the findings with the typology established in phase 2.

In order to increase the validity of the research we discussed the key findings together with three company representatives in a three-hour workshop session. The following section gives the results of the analyses.

Results

Critical factors related to the nature of knowledge and the context

The types of knowledge that were transferred to newly acquired companies were related to B2B professional service software (in cases when it differed between the acquirer and the acquired target), the ERP system, ways of organizing (e.g., the team structure), coordination processes (e.g., financial reports and HR processes), service portfolios sold to B2B customers, and customer processes and an organizational culture aiming at efficiency
and effectiveness. Thus the cases involved the transfer of very diverse types of knowledge, both tacit and explicit, and both external (about clients) and internal (management systems and the organizational culture).

Most importantly, the acquired units faced a fundamental shift from one type of culture to another, which could be labelled knowledge-culture asymmetry. The acquired units were typically small firms with a family-like atmosphere, and the means to transfer knowledge were personalized and more informal in nature. Many interviewees described how the acquired firm approached knowledge-transfer issues in a very different manner – e-mail was used as a focal communication tool, and the amount of information related to the new ways of working was huge in contrast to the rather stable situation before the acquisition. For instance, when we asked the acquired firms' employees how their daily work had changed, many of them pointed out that the number of face-to-face visits to customers had decreased significantly due to both a lack of time and the changes in preferred communication channels.

Following the changes in the knowledge culture and modes of communication, many interviewees pointed out that they had difficulties adapting themselves to the new ways of sharing knowledge. A focal critical issue here concerned the interpretation and internalization of all the incoming information, which also required both time and genuine effort from the acquirer’s side, and was not only a question of giving information for information’s sake. Similarly, some informants raised the issue of “window-dressing” types of education and training:

“Then we attended the training session... We sat there staring at the screen as he showed us what type of software we would use from now on and how it works. Like a kind of total experience: learn-to-use-IT-systems-by-watching.”

However, some informants also described acquisition cases in which such in-room guidance was effective. This brought significant benefits in terms of adopting and learning the new systems, as knowledge was transferred through means the employees were used to.

“I found it very positive. It was possible to get your own support person to visit your desk, in a given timeslot, if you needed some help in system use, for instance.”

Even if the transfer of knowledge could have been smoother and more effective, with appropriate timing and in-room guidance, its tacit nature remained a significant concern particularly within the customer interface at which its non-imitable characteristics were most evident. This fact also made retaining key employees a focal issue (see also Ranft & Lord, 2000), even if the major motivation for the acquisition was to gain access to new markets.
rather than to new knowledge resources. The tacitness of customer knowledge caused contradictions in the chosen means of knowledge transfer: the acquirer tried to transfer the more systematic and consultative customer-relationship-management practices to the merged units, which dealt with customers in a different manner, drawing on socialization, personal contacts and experience. As one interviewee stated:

“The most difficult part here is what we know about our customers. Because we all have our own, and each of them has its own special features, it is something you just cannot put onto a piece of paper or into a file. Of course we are constantly trying to find out how to solve this problem...if, let’s say, one of us kicks the bucket, what happens then...”

To some extent, the problem of such “hidden” knowledge and the difficulties in transferring it could be solved through the more accurate documentation of workflow and relationship-specific knowledge, as the informants also pointed out. Yet this would have required both parties to engage in a simultaneous work mode and to codify customer knowledge, which was considered difficult or impossible to execute due to the lack of time. The core service required all the effort from the employees’ side. Hence, we conclude by noting the role of time as a critical factor both in transferring tacit knowledge and in matching the different types of knowledge cultures in general.

**Critical factors related to the source and the recipient**

A variety of the critical factors were related to the characteristics of the knowledge source and the recipient. As noted earlier, knowledge transfer in these cases appeared mostly as a one-way flow from the acquirer to the acquired units, in other words it was asymmetric in nature. This could have been due the fact that the acquirer was a larger company and the acquired units were rather small. Consequently, the acquirer aimed at business growth rather than at gaining access to new knowledge and expertise, for example. This setting provided both an opportunity and a challenge in terms of knowledge transfer. On the one hand, the acquirer had a lot of experience of similar types of acquisitions, and was able to initiate the transfer processes related to explicit knowledge in an efficient manner. On the other hand, there was a danger that the acquirer was only prepared to carry out routine types of knowledge transfer at the expense of being able to find ad-hoc solutions that took the context into account (see also Szulanski, 1996), and that no systems to evaluate employees’ prior expertise and competence would be implemented.

Indeed, knowledge transfer did not appear to be reciprocal (Bresman et
al., 1999). It was rather primarily about laying the ground for the change to take place – in other words, passing the mental “waiting room” stage in the acquired firms – and thereafter pushing knowledge in. As many of the interviewees in the case organizations pointed out, process-related knowledge about the new ways of working could be transferred smoothly when the people were ready to absorb it. Above all, this required creating as safe an atmosphere as possible, so that resistance to change would not hamper the employees’ willingness and ability to absorb new knowledge. It seemed that the greater the asymmetry between the organizational knowledge cultures and the “ways of the house”, the greater was the resistance to change and the more the employees were stuck in their existing organizational identities:

“Earlier we were able to do just like we wanted...and naturally, going against certain authorities was significant here.”

Acquisitions also represented a major organizational change in terms of the IT systems used, which caused many of the interviewees within the acquired companies to express concern about their own ability to carry out their daily work.

“At the very beginning we would have needed someone to give us hand-to-hand guidance, in a two-week session, for example. Because I felt like ‘help, I’ve been doing this work for 30 years and now I can’t even hold the pencil the right way round’.”

This problem appeared to result from the professional-skills requirements: the employees manifested themselves as self-critical, careful and analytical people with high standards regarding their own competence. At the same time, they were highly motivated for the acquisition to take place, as they saw it as an opportunity to develop their own expertise and become part of a reputable and large professional firm of which they could be proud. The image of the acquirer was thus highlighted, representing a highly motivating factor, but on the other hand the employees also experienced some kind of performance anxiety.

Limits to the absorptive and retentive capacity of the merged units also came up in the interviews. Although the employees were highly skilled and experienced, thus considering the absorption of objectified professional knowledge rather easy, they had severe problems in interpreting the underlying meanings – the source being a firm with very different practices of transferring knowledge, specifically documentation-types of knowledge, for instance. In some units the employees expressed concern about why the acquiring firm had to “…communicate everything in such a complex manner so that no one can understand the content”. Related to this, a point that frequently came up,
which was related to easing the interpretation of knowledge, was to split it into coherent and systematic pieces rather than trying to push in too much information at one time. This was particularly the case with e-mail-based information sharing. For instance, one of the interviewees would have needed a “big picture” first in order to be able to better absorb the details.

Further, appropriate timing and structuring information were seen as critical issues in the adoption of new IT systems. The problems were not related to the source’s motivation – on the contrary, some interviewees thought that the source was over-motivated. In other words, there was a tendency to engage in rushing-types of knowledge-transfer behaviour, with tight schedules and in pursuit of rapid growth. This did not allow the recipients much time to interpret the knowledge, as noted above.

“If I think about it afterwards... It would have been better if we had first implemented the systems and learned how to use them, and the official acquisition would have taken place thereafter.”

Given that interpretation was considered a critical factor, many interviewees highlighted the focal role of unit managers. As a supportive and trusted party, their role was to localize knowledge in order to facilitate its use in the local settings, and to help employees to interpret knowledge related to the use of professional systems, for instance. It was a question of bringing the source and the recipient of the knowledge closer to each other, thereby facilitating relationships that provided a means of transfer:

“Of course it is my role to guide employees and to give practical advice. Kind of I should be the one who understands [the systems] and is able to inform others about it.”

“It is important that we have someone here to tell us what we need to do. So that we don’t need to search for every single piece of information ourselves, but someone concretely sits here with us and shows us how to get started.”

Finally, with regard to the transfer of the most complex types of knowledge – organizational practices and culture – our informants highlighted the importance of building trust between the source and the recipient. The development of trust was facilitated through engaging in open communication with the acquired units, listening to them, and showing concern and empathy. Unit managers had an important position in building trust between the source and the recipient, but it was considered essential for the representatives of the acquiring firm also to be present from the very beginning. Many interviewees appreciated these key persons for proactively encouraging and facilitating discussions, as the acquired companies’ employees did not engage in such behaviours by nature.
“The employees expressed their fears and distress to the HR manager, who passed on the information and the issues were openly discussed. The situation eased after that and knowledge transfer became much easier; all the employees were more receptive.”

“It is important how you make the first contact... We go there, sit around the same table and start building up cooperative practices. I tell people we are operating in the same field, doing the same things, but of course there are also changes taking place.”

Reflecting the knowledge typology (Spender, 1996) presented in section 2, Table 2 below summarizes the critical factors discussed, linking them to the types of knowledge transferred in the case organizations.

**Table 2:** Types of knowledge and the related critical factors in knowledge transfer

<table>
<thead>
<tr>
<th>Type of knowledge</th>
<th>Critical factors</th>
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<tr>
<td>Conscious: professional knowledge held by individual employees, e.g., taxation law, customer information</td>
<td>Lack of time (-) Motivation (+)</td>
</tr>
<tr>
<td>Objectified: process documentation, coordination, databases, systems, e.g., the intranet, ERP, CRM, B2B service software, HR practices, incentive systems, financial reports</td>
<td>Appropriate timing (+) Knowledge culture (-/+ depending on the level of asymmetry) Absorptive capacity (+) Retentive capacity (+)</td>
</tr>
<tr>
<td>Automatic and preconscious: individual perceptions, values, skills, e.g., using the B2B service software, customer-relationship-specific knowledge</td>
<td>Appropriate timing (+) Lack of time (-) Motivation (+) Structuring knowledge (+) In-room guidance and support (+) Valuing employees (+) Easing interpretation (+)</td>
</tr>
<tr>
<td>Collective and contextual, e.g., organizational culture and identity, modes of organizing, CRM model and customer processes</td>
<td>Appropriate timing (+) Knowledge culture (-/+ depending on the level of asymmetry) Identifying employee competences (+) Appropriate levels of socialization (+) Building trust (+) Creating a safe atmosphere (+) Absorptive capacity (+) Retentive capacity (+)</td>
</tr>
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</table>
Here we again note the ease of transferring conscious individual-level knowledge in contrast to other types of knowledge, as also suggested in prior research (Spender, 1996; Szulanski, 1996). Whereas in the former case there is typically enough time to engage in the transfer, as well as the motivation to share, whereas the latter types of knowledge constitute a more complex variety of critical factors. According to our findings, the asymmetry between knowledge cultures may represent the biggest challenge. In the following we discuss the findings in the light of the relevant literature.

Discussion

This study investigated the critical factors involved in transferring service-business knowledge in the context of acquisitions. The results go back to the fundamental issue of unravelling the types of knowledge being transferred and considering the means by which to transfer it (Jasimuddin, 2007). As Empson (2001) notes, it is essential to understand the differences between the knowledge bases of merging firms, including the types of knowledge they value (codified or personalized) and the types of mechanisms used to transfer the knowledge. The need first to identify the knowledge cultures and the applied strategies is the fundamental lesson to be learned from the current study.

Secondly, the acquirer must be aware of the recipients’ current competences and capacity to absorb new knowledge. Mapping the competences in the acquired companies beforehand, for example, would facilitate this process. Across the cases there were concerns that the acquirer over-relied on the ability of the units to carry out their tasks under conditions of change, and to put internalized knowledge to use. The employees would have needed more time, and concrete, practical guidance. Again, this asymmetry reflects the different knowledge cultures. Empson (2001) also points out how employees who used to rely on tacit types of knowledge did not value the codified knowledge base of their new colleagues, and vice versa.

The theory of relative standing (Frank, 1986) concerns “the importance of an individual’s feelings of status and worth relative to that of others in a proximate social setting” (Ranft & Lord, 2000, p. 300). In order to avoid knowledge-transfer bottlenecks, the acquiring firm should find a way to create a safe atmosphere (organizational level) and demonstrate to employees from the very beginning that their expertise is valued and appreciated (individual level). The firm should therefore be clear about its motivation for the acquisition, and about the type of knowledge it values in the acquired firm currently and in
the future (see also Ranft & Lord, 2000), and should plan and implement the knowledge transfer accordingly.

Interestingly, our empirical data did not highlight the often-emphasized role of motivation in knowledge transfer (Osterloh & Frey, 2000) – it was rather identified as a starting point for the acquisition and transfer processes. More emphasis was put on the recipient’s ability to absorb and internalize the knowledge (organizational level) and interpret it (individual level), on the lack of time as a negative factor, and on appropriate timing as a positive factor. We suspect that the role of motivation may thus be more salient when it is absent, rather than when it is present. Szulanski (1996) also points out how a lack of absorptive capacity and problems in the relationships between the source and the recipient dominate motivation-related barriers to knowledge transfer.

The notion that the transfer of tacit knowledge requires personal interaction is well established in the literature (Davenport & Prusak, 1998; Nonaka and Takeuchi, 1995). However, an interesting finding in our study was the acquiring firm’s striving towards transferring tacit knowledge by codified means, instead of trying out informal means, which require time and space. One prevailing example concerned the customer processes and the whole model of customer-relationship management: a rather formalized approach to knowledge transfer was taken as opposed to a more socialization-based approach (Empson, 2001). We could label this information-management bias. Although the actual reasons for such bias remain beyond the scope of this paper, this finding carries some important implications. Firstly, it is necessary to identify the nature of the knowledge that needs to be transferred to the acquired companies, and to align the communication patterns accordingly (see also Kasten, 2009). Secondly, the acquirer needs to take the critical issue of timing into account by splitting the knowledge into organized and systematic pieces, while also allowing enough time for interpretation and institutionalization. It is essential to avoid unrealistic expectations of “window-dressing” type of knowledge transfer. Tacit transfer takes time.

In a similar vein, Guzman (2008) points out that learning-by-observing is limited in the case of complex knowledge, such as that required to provide professional services, as the employees also need to explain the logic of the set of tasks. Much of the tacit knowledge and related experiences is shared only through collaborative working and the development of informal social relationships (Nonaka & Takeuchi, 1995): this is a fundamental lesson concerning the transfer of service-business knowledge in particular.
Conclusions

The current study focuses on an important issue, namely the inter-organizational transfer of service-related knowledge in acquisitions. Although knowledge-transfer issues in general have long been on the academic agenda and under much debate, the same cannot be stated about services, and particularly about the challenging issue of transferring human-bound tacit knowledge and shared practices among service organizations in order to create more value for customers. Our case analysis represented both successful and unsuccessful acquisition cases, thus by comparing them we were able to distinguish the most salient critical factors behind successful knowledge transfer.

From the practitioners’ perspective, our study focuses managerial attention on understanding the “soft types” of critical factors such as valuing employees, easing interpretation, identifying employee competences, building trust, creating a safe atmosphere and diagnosing knowledge cultures, thereby avoiding information-management bias. Its contribution to the literature on knowledge transfer is to complement Szulanski’s (1996) categorization of critical factors. Secondly, we built a typology linking the identified critical factors with the type of knowledge being transferred. Thirdly, the findings contribute to KIBS research in enhancing understanding of the mechanisms and conditions through which different types of professional service knowledge may be successfully transferred.

Further research should focus more intensively on the critical issue of analysing and matching different knowledge cultures within service firms. The identified critical factors should also be positioned along a timeline covering the stages of organizational integration. The research design of the current study did not allow us to identify a detailed timeline (e.g., the initiation, implementation, ramp-up and integration stages of knowledge transfer, as Szulanski, 1996 suggests).

Finally, we note that the results cannot be generalised to other service industries as they focus on a single type of knowledge-intensive service. This could be considered a limitation of the study, and similar exploratory studies could be conducted in a variety of service industries for the purpose of validation. However, the results give some new insights related to knowledge transfer in service business acquisitions.
References


