



The role of highly skilled migrants in the process of inter-firm knowledge transfer across borders



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ABSTRACT

Drawing on multiple case studies of Chinese highly skilled migrants working in the UK, we adopt an integrated approach that combines the contextualized explanation and processual approach to examine the role of individuals with a bilingual–bicultural background in the process of inter-firm international knowledge transfer (IKT). The findings reveal that the process is language and cultural dependent. Possessed with bilingual and bicultural competence, highly skilled migrants play a vital role at each stage of the knowledge transfer process between firms from their country-of-origin and from their adopted country, including identifying potential key contacts, relationship establishment and knowledge exchanges. The research advances existing IKT literature by bridging the analysis between a firm-level and individual-level of knowledge flows across borders, and by recognizing the impact of highly skilled migrants.

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1. Introduction

The impact of language and cultural differences on international knowledge transfer (IKT) is a subject of emerging interest (e.g. Buckley, Carter, Clegg, & Tan, 2005; Makela, Kalla, & Piekkari, 2007; Piekkari, 2006; Welch & Welch, 2008). Previous studies have shown that language and culture exert a broad array of influences on IKT in such aspects as cost, transfer medium, teams, social networks, trust, staff movements and motivations (Welch & Welch, 2008) and have enhanced our understanding of the role of language and culture in IKT. However, these studies have mainly focused on the extent of IKT and have treated IKT as a snapshot involving transmission and reception. A separate stream of knowledge transfer (KT) research has recognized that successful KT involves multiple stages and is much more than a one way, linear diffusion of knowledge within or between organizations (Duanmu & Fai, 2007; Pérez-Nordtvedt, Kedia, Datta, & Rasheed, 2008; Szulanski, 2000). There are various difficulties and challenges involved in any KT process, including the willingness to transfer and the attractiveness of the source, the lack of absorptive capacity and learning intent by the recipient, the

quality of the relationship and causal ambiguity. Nevertheless, most studies in this camp take language and cultural contexts as given and seldom incorporate these contexts into the KT process. This represents an important research gap.

Related to existing research on inter-firm IKT, a significant increase in international immigration has become a major aspect of the globalization process (Docquier & Rapoport, 2011). The number of international migrants increased from 75 million in 1960 to 214 million in 2010 (United Nations, 2010). International migrants contribute to the culturally diverse workforce with increasing numbers of individuals who have internalized more than one culture (Brannen & Thomas, 2010). Among these migrants, highly skilled migrants,¹ often educated in the West and working outside their country-of-origin, are of particular interest to IKT research as they occupy the middle ground between their country-of-origin and the adopted country.

Recent research in cross-cultural management extends the study of biculturalism to the workplace by recognizing the importance of bilingual–bicultural individuals in organizations, and provides insights into the heterogeneity of the workforce (Brannen & Thomas, 2010; Fitzsimmons, 2013; Hong, 2010). However, these studies pay little attention to inter-firm IKT, and

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¹ Highly skilled migrants refer to people who have received tertiary education and hold master or doctoral degrees (World Migration, 2008).

hence the way in which individuals with a bilingual–bicultural background affect inter-firm IKT has been under explored. Few studies have examined inter-firm IKT at an individual level by explicitly investigating the relationship between the heterogeneity of individuals and IKT within the context of language and culture. There is a missing link between the KT process and the characteristics of individuals.

To address these research gaps, this study takes the first step toward delineating the process of inter-firm IKT by taking account of the impact of language and cultural contexts, and the role of highly skilled migrants. Specifically, we aim to investigate two related research questions. What is the process of inter-firm IKT within the bilingual and bicultural context? How do highly skilled migrants with a bilingual–bicultural background affect the IKT process? In other words, we intend to establish how highly skilled migrants affect each stage and the evolution of the IKT process in a bilingual–bicultural setting.

Recognizing the increasing heterogeneity of the workplace within the language and cultural context, we make several contributions to the literature. First, we adopt an integrated approach which combines the contextualized explanation (Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mantymaki, 2011) and processual approach (Abbott, 1995; Van de Ven, 2007). In so doing, our study moves away from a simplistic way of treating IKT as an outcome, which is often the feature of existing studies based on quantitative techniques (Blalock & Simon, 2009; Filatotchev, Liu, Lu, & Wright, 2011; Gong & Girma, 2008; Görg & Strobl, 2005; Tian, 2007), to a contextualized perspective by taking into account the language and cultural contexts. The findings help provide new insights into IKT across language and cultural boundaries and broaden our understanding of the complexity associated with the dynamic process of inter-firm IKT.

Second, we examine the distinct role of highly skilled migrants in the IKT process and highlight the importance of migrants' bilingual and bicultural competence in identifying key contacts, building relationships, and facilitating knowledge dispatch and absorption in knowledge exchanges between the source and recipient of knowledge. To date, research on the IKT process has focused more on the organizational level rather than the individual level, despite the recognition of individuals as key players in the IKT process (Brannen & Thomas, 2010; Welch & Welch, 2008). Highly skilled migrants are not mere automatons reacting to opportunities and challenges in IKT; they can utilize their bilingual and bicultural competence to consciously make informed decisions. As a result, they play a crucial role in affecting the IKT process. Through focusing on highly skilled migrants, our study helps advance knowledge on how the characteristics of individuals contribute to the efficiency and effectiveness of inter-firm IKT, and broadens the IKT literature by recognizing workforce heterogeneity.

2. Literature review

2.1. The process of inter-firm IKT

KT is commonly defined as activities and processes by which knowledge is deliberately moved across different units within an organization (intra-firm) or across organizational boundaries (inter-firm) (Argote, 1999). Knowledge flows are neither costless nor instantaneous, and KT involves a process comprising a recursive sequence with feedback loops (Pérez-Nordtvedt et al., 2008; Szulanski, 2000). The concept of process adopted in this study is defined as a sequence of events or activities that describe how things change over time (Abbott, 1995; Van de Ven, 2007). The processual approach takes a dynamic perspective to conceptualize process, involving the identification of the conditions of movement

from one stage to the next (Monge, 1990), and helps provide a constructive way to take account of nuances in KT (Szulanski, 2000). Hence, it can be distinguished from a result, event or variance approach (Langley, 2007; Pettigrew, 1997) which mainly examines the benefits of KT and obscures the difficulties and challenges associated with KT.

Several studies on the IKT process examine how the characteristics of knowledge, the attributes of source and recipient firms, the networks and the relationship quality affect the efficiency and effectiveness of KT (Duanmu & Fai, 2007; Gupta & Govindarajan; 2000; Pérez-Nordtvedt et al., 2008; Szulanski, 1996, 2000). Szulanski (2000) suggests that there are four phases in the KT process: initiation (searching new knowledge), implementation (learning and preparing for KT), ramp-up (practicing the acquired knowledge) and integration. He finds that the reliability of sources affects the opportunity for KT in the early stages, whereas the recipient's ability to absorb knowledge determines the degree of difficulty during the implementation phases. The characteristics of the knowledge, such as 'causal ambiguity', represent barriers to KT throughout the process. Duanmu and Fai (2007) study IKT between MNCs and local suppliers in China and derive a three-stage pathway. Their findings show that the quality of the relationship and the level of trust at each stage determine whether simple or more sophisticated technological knowledge is transferred. Pérez-Nordtvedt et al. (2008) show that knowledge characteristics, recipient learning intent, source attractiveness, and relationship quality affect the effectiveness and efficiency of IKT. Extending this line of research, we treat inter-firm IKT as a dynamic process and explicitly examine the distinctive role of the language and cultural context in the process of IKT.

2.2. The language and cultural context and the process of inter-firm IKT

While the extant literature has recognized the importance of language and culture in the KT process (Kogut & Zander, 1992; Welch & Welch, 2008; Welch, Welch, & Piekkari, 2005), the attention largely focuses on intra-firm IKT with a few exceptions. Fai and Piekkari (2003) examine the impact of language on IKT and highlight that language is multi-tiered, subtle and complex, which either impedes or facilitates IKT. Buckley et al. (2005) investigate the role of language in facilitating KT in Sino-foreign joint ventures and emphasize that social knowledge is important in the successful articulation of the transferred knowledge. They show that speaking the same language is insufficient to ensure successful KT without shared social knowledge. Thus, language should not be separated from the cultural context in studying IKT (Peltokorpi, 2010; Peltokorpi & Vaara, 2012). Several scholars (e.g. Brannen, 2004; Thomas, 2003; Tietze, 2008) have further developed the contextualization perspective which theorizes language affecting the degree of success in the transfer of knowledge, processes and practices into culturally different context. This perspective provides new insights into delineating the process of IKT in the context of languages and culture.

Our review of existing literature shows that the impact of language and culture in different phases of inter-firm IKT has received little systematic attention (Easterby-Smith, Lyles, & Tsang, 2008; Van Wijk, Jansen, & Lyles, 2008). Language and cultural differences represent particular challenges in the inter-firm IKT process because it involves parties with no shared organizational identity nor a commonly used corporate language, no established process and formalized structures to fall back on and potentially conflicting interests. These factors further complicate the process of IKT. We delineate the process of inter-firm IKT by explicitly taking into account the context of different languages and cultures.

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