



Contents lists available at ScienceDirect

Journal of World Business

journal homepage: [www.elsevier.com/locate/jwb](http://www.elsevier.com/locate/jwb)

# Disseminative capacity and knowledge acquisition from foreign partners in international joint ventures

Dana Minbaeva<sup>a,\*</sup>, Chansoo Park<sup>b</sup>, Ilan Vertinsky<sup>c</sup>, Yeon Sung Cho<sup>d</sup>

<sup>a</sup> Department of Strategic Management and Globalization, Copenhagen Business School, Copenhagen, Denmark

<sup>b</sup> Faculty of Business Administration, Memorial University of Newfoundland, St. John's, NL, Canada

<sup>c</sup> Sauder School of Business, The University of British Columbia, Vancouver, BC, Canada

<sup>d</sup> Department of International Trade, Duksung Women's University, Seoul, Republic of Korea

## ARTICLE INFO

### Keywords:

Disseminative capacity  
International Joint Venture  
Knowledge acquisition  
South Korea

## ABSTRACT

We developed a theoretical model that examines the impacts of a foreign parent's disseminative capacity on knowledge transfer to International Joint Ventures (IJVs). We tested our model with data from 199 IJVs in South Korea. We found empirical support for our arguments that the foreign parent firm's codification and articulation ability, willingness to share knowledge, and frequent and effective use of communication channels determined the extent of knowledge acquisition by the local IJV partners.

## 1. Introduction

Research suggests that although international joint ventures (IJVs) possess an optimal governance structure for inter-firm knowledge transfer (Kogut, 1988; Makino & Beamish, 1998), it is not always effective (Lane, Salk, & Lyles, 2001; Pak, Ra, & Lee, 2015). Despite the importance of knowledge transfer for IJV performance (Bresman, Birkinshaw, & Nobel, 1999; Lane & Lubatkin, 1998; Simonin, 1999a;), knowledge transfer from foreign parent firms is not uniformly effective because of cross-cultural differences (Lyles & Salk, 1996; Mowery, Oxley, & Silverman, 1996), knowledge characteristics (Bresman et al., 1999; Simonin, 1999a; Subramaniam & Venkatraman 2001), partner opportunism (Kale, Singh, & Perlmutter, 2000), goal divergence (Doz, 1996; Park & Vertinsky, 2016), differences in absorptive capacities (Cohen & Levinthal, 1990; Lane et al., 2001), and governance issues (Makhija & Ganesh, 1997).

In this line of research, the knowledge recipients' (i.e. local employees) lack of sufficient absorptive capacity is one of the primary explanations given in the literature for the high prevalence of ineffective knowledge acquisition by local firms (see e.g. Anh, Baughn, Hang, & Neupert, 2006; Lane & Lubatkin, 1998; Lane et al., 2001; Lucas, 2006; Mowery et al., 1996). However, some researchers have pointed out that focusing solely on the absorptive capacity of knowledge recipients will not provide the complete picture, as "all knowledge transfer events involve both a source, or *transferor*, and a recipient, or *transferee*" (Martin & Salomon, 2003, p. 363). Accordingly, in addition to 'capacity to learn' (absorptive capacity), the degree of knowledge

acquisition from foreign partners in the context of IJVs is also dependent upon the foreign firm's capacity to teach (Easterby-Smith, Lyles, & Tsang, 2008; Wang, Tong, & Koh, 2004), i.e., their disseminative capacity (Minbaeva, 2007; Minbaeva & Michailova, 2004).

The disseminative capacity of knowledge senders is a sparsely researched construct compared to the more rigorously researched absorptive capacity of knowledge receivers (Minbaeva, Pedersen, Bjorkman, & Fey, 2014; Mu, Tang, & MacLachlan, 2010; Oppat, 2008). To the best of the authors' knowledge, there has not been any empirical research performed on the importance of the foreign parent firm's disseminative capacity for knowledge acquisition in the context of IJVs. Further, our review of the existing, but limited literature on the senders' capacity to transfer knowledge indicates that despite the efforts of prior studies in this field, the concept of 'disseminative capacity' is still largely a 'black box'. While researchers have agreed that disseminative capacity is not a mono-concept but consists of several distinct elements, the nature of those elements and the interrelations between them are largely underexplored. Unpacking the concept of disseminative capacity theoretically, exploring its elements, and explaining the interdependencies among them will allow us to design governance mechanisms to manage disseminative capacity and ultimately improve knowledge acquisition in IJVs. Consequently, both scholars and practitioners have repeatedly called attention to the need for an extensive investigation of the impact of the knowledge-sender's disseminative capacity on knowledge acquisition success, in terms of both conceptual theories and substantial empirical research (Chini, 2004; Martinkenaite-Pujanauskienė, 2015; Minbaeva et al., 2014; Oppat,

\* Corresponding author.

E-mail addresses: [dm.smg@cbs.dk](mailto:dm.smg@cbs.dk) (D. Minbaeva), [cpark@mun.ca](mailto:cpark@mun.ca) (C. Park), [ilan.vertinsky@sauder.ubc.ca](mailto:ilan.vertinsky@sauder.ubc.ca) (I. Vertinsky), [oakright3927@ds.ac.kr](mailto:oakright3927@ds.ac.kr) (Y.S. Cho).

<https://doi.org/10.1016/j.jwb.2018.03.011>

Received 26 April 2017; Received in revised form 20 March 2018; Accepted 23 March 2018  
1090-9516/ © 2018 Published by Elsevier Inc.

2008; Zhou et al., 2016).

As a first step towards filling this gap, we develop a theoretical framework that identifies three elements of disseminative capacity that are related to the ability, motivation, and opportunity of the knowledge senders (Argote, McEvily, & Reagans, 2003), and clarifies the complex web of interrelationships among them. The three identified elements are: the sender's codification and articulation ability, the sender's willingness to share knowledge, and the sender's propensity to create and use opportunities for knowledge acquisition. We also examine the impact of these interrelationships on the degree of knowledge acquisition achieved by local partners. We then test our theoretical framework using data collected from 199 IJVs located in South Korea.

Our study makes several contributions, including the theoretical articulation of the causal linkages among three elements of disseminative capacity and their interrelationships with regards to knowledge acquisition. In doing so, we highlight the sender's role in knowledge acquisition. Specifically, we focus on cross-border transfers of knowledge from foreign firms and evaluate the degree of knowledge acquisition by local partners. Overall, this study makes empirical contributions to the relatively under-researched context of inter-firm knowledge transfer from foreign firms to their local partners in emerging economies (Steensma, Barden, Dhanaraj, Lyles, & Tihanyi, 2008).

In sections two and three, we develop our theoretical framework and hypotheses. The fourth section provides details of the methods used in this study, including the procedures used to reduce the risk of common method bias. This is followed by a description of the results. We conclude with a discussion of the implications of our findings for theory and practice.

## 2. Theoretical background

Szulanski (1996) defines knowledge transfer as a process involving dyadic exchanges of knowledge between the sender and the receiver, where the effectiveness of knowledge transfer depends on the following determinants: the disposition and ability of the sender and recipient, the strength of the ties between them, and “the characteristics of the object that is being created” (Szulanski, 2003: 25). Many conceptual and empirical studies have contributed to the understanding of the determinants of the knowledge acquisition process. Some studies have focused on the characteristics of the transferred knowledge (e.g. Simonin, 1999a, 1999b; Pak & Park, 2004), while others have looked at the sources of knowledge (e.g. Foss & Pedersen, 2002), absorptive capacity (e.g. Lane & Lubatkin, 1998; Lane et al., 2001; Lyles & Salk, 1996; Minbaeva, Pedersen, Bjorkman, Fey, & Park, 2003; Pak & Park, 2004), and the organizational context in which the transfer takes place (e.g. Bresman et al., 1999; Simonin, 1999a, 1999b; Pak & Park, 2004). Our review of the representative<sup>1</sup> studies on the determinants of knowledge acquisition showed a major limitation. A disproportional amount of attention was given to the characteristics of the receivers – absorptive capacity, while characteristics of the senders – disseminative capacity – was often acknowledged, but seldom properly theorized. Since knowledge transfer is a two-sided process (Argote et al., 2003; Easterby-Smith et al., 2008; Minbaeva et al., 2014), in many situations, even a high absorptive capacity is insufficient for successful knowledge transfer if the sender possesses limited disseminative capacity to spread the knowledge (Minbaeva, 2007; Tang, Mu, & MacLachlan, 2010).

In the literature on inter-firm knowledge transfer (e.g. joint ventures and strategic alliances), a focus on the sender's characteristics is especially crucial (Hamel, 1991; Lyles & Salk, 1996; Oppat, 2008). Kogut and Zander (1996, p. 503) view a company as “a social community specializing in the speed and efficiency of the creation and transfer of knowledge.” To extend this view to an IJV context, the IJV's partners form an extended social community in which the objective of

knowledge transfer is a shared norm (Lane et al., 2001). The foreign parent becomes a vital source of both tacit and explicit knowledge (Lyles & Salk, 1996). Thus, the capacity of the foreign parent to share knowledge with the IJV is an important condition for the effective, speedy transfer of knowledge (Yin & Bao, 2006).

In the following sub-section, we provide a definition and theoretical foundation for disseminative capacity.

Disseminative capacity can be viewed as an umbrella term referring to the source's transfer capacity (Martin & Salomon, 2003); the parent firm's ‘capacity to teach’ (Easterby-Smith et al., 2008); the characteristics of knowledge source (Szulanski, 1996; Gupta & Govindarajan, 2000); and so on. Table 1 summarizes key indicators and elements of disseminative capacity that were identified in prior studies and provides an overview of the empirical findings of these studies.

There are several definitions of disseminative capacity assuming various elements (e.g. Gupta & Govindarajan, 2000; Lyles & Salk, 1996; Martin & Salomon, 2003; Mu et al., 2010; Szulanski, 1996) and levels (e.g. individual, organizational). We also noted that theorizations around those elements derive from various streams of literature, such as psychology (given its focus on cognition), economics (given its emphasis on incentives and competition), sociology (given its orientation towards social structure and processes) and teaching (representing a professional view of knowledge dissemination). For example, Schulze, Brojerdi, and von Krogh (2014), in addition to relying on the literature on knowledge transfer in strategic alliances, also incorporated in their research insights from the literature on teaching (for a detailed review, see Table 2 in Schulze et al., 2014). Teaching (or knowledge dissemination) is regarded in that literature as an individual-level activity that aims to increase students' comprehension and application of taught knowledge. Accordingly, Schulze et al. (2014) define disseminative capacity as “the ability of knowledge holders to convey knowledge in a way that a recipient can comprehend it and put it into practice” (p. 87). Joshi, Sarker, and Sarker (2007), following Szulanski (1996), build upon insights from communication theory – a mathematical theory of communication (Shannon & Weaver, 1949), Schramm et al.'s (1971) theory of mass communication, and Berlo's (1960) communication model, defining disseminative capacity in terms of the sender's (cognitive) capability, credibility and communication extent. Minbaeva and Michailova (2004) draw an analogy from the absorptive capacity literature and emphasize behavioral elements of disseminative capacity (more specifically, the ability and willingness to share knowledge).

What is noticeable is that despite the variety of conceptualizations, there is a common recognition that disseminative capacity is not a mono-concept, but consists of several distinct elements. In this paper, and in line with Argote et al.'s (2003) classification of ability, motivation, and opportunity as the three key mechanisms of knowledge transfer (see also Chang, Gong, & Peng, 2012), we conceptualize disseminative capacity as a combination of the sender's ability to codify and articulate knowledge, the sender's willingness to share knowledge, and the sender's propensity to create and use opportunities for knowledge acquisition by the receiver. Consistent with the previous research, we argue that the sender's ability is a necessary but insufficient condition for successful knowledge acquisition by local partners.

Clearly, knowledge senders must have the ability to engage in knowledge sharing if a knowledge transfer is to be successful (Chang et al., 2012; Minbaeva & Michailova, 2004). Szulanski (1996) suggests that the success of knowledge sharing partly depends on how the communication gap between the knowledge sender and the knowledge receiver is bridged. Knowledge senders who possess extensive, diverse knowledge are presumably better able to share their knowledge because they are better able to understand how their knowledge may be valuable; therefore, they are potentially better able to frame the knowledge in a way that is pertinent to the potential knowledge receiver (Reagans & McEvily, 2003). However, this potential remains unrealized if knowledge senders do not have a willingness to share their knowledge, and/or are unable to create and use opportunities to do so

<sup>1</sup> Studies that consider the determinants of knowledge acquisition.

Download English Version:

<https://daneshyari.com/en/article/7413165>

Download Persian Version:

<https://daneshyari.com/article/7413165>

[Daneshyari.com](https://daneshyari.com)