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Human Resource Management in Knowledge Transfer

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Abstract: The competency to transfer knowledge and learn from their experience has been found to influence crucial organizational outcomes, including productivity, timeliness, and sustainability. A multiplex approach to knowledge transfer is likely to be most effective. Personal contacts or movement and face-to face communication are rich communication media that are particularly well suited for discerning information to be transferred and acquiring a deep understanding of it. Thus, this paper proposes to investigate knowledge transfer in Foreign Multinational Corporations (MNCs) network. Knowledge characteristics of personnel being transferred also impact the success of knowledge transfer.

Key words: Human resource management (hrm); Organizational knowledge; Knowledge transfer; Foreign Multinational Corporations (MNCs)

1. INTRODUCTION

The emergence of knowledge transfer as a key issue has enhanced the importance of comparative research in human resource management (HRM). This paper proposes to examine knowledge transfer in Foreign Multinational Corporations (MNCs) network. Knowledge characteristics of personnel being transferred also affect the ease and success of knowledge transfer.

The two trends of research on knowledge transfer across organizations – increasing subsidiary operational responsibilities and the dispersal of knowledge-creating activities within the MNC network (Mudambi and Pietro, 2004) should be looked through.

The following section will present an overview of important issues relevant to key concepts (1) organization knowledge, (2) knowledge transfer in MNCs, (3) networks of MNCs, and (4) HRM practices for knowledge transfer.

2. ORGANIZATIONAL KNOWLEDGE

Polanyi (1966) believed that knowledge, or the process of knowing, is personal and related to the individual. It can be viewed as a type of "intellectual capital" that has the ability to change how individuals and organizations view and create the world around them.

From an epistemological perspective, human knowledge consists of two main types: explicit and tacit. Explicit knowledge can be codified. Explicit knowledge is conveyed through formal, methodical language. In contrast, tacit knowledge is more subjectively related to individuals, making it difficult to formalize and transmit. Tacit knowledge has inherent value because it is inimitable, rate, unique, and path dependent (Ghemawat, 1991). From an individual's perspective, tacit knowledge is acquired by experience through 'learning by doing' and 'learning by using' (Collis, 1991; Grant, 1996). Thus, tacit knowledge includes the

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contextual dimensions of facts, events, and ways of acting or doing; is rooted in history and past action, and involves perceptual, cognitive and technical element (Nonaka, 1994). In particular work of Nonaka (1994) and Nonaka and Konno (1998) strongly argue that the interaction between these two modes of knowing is critical for the creation of new knowledge at the organizational level. The bridge between the individual and the organization is simple. No transformation takes place as the learning individual's knowledge becomes organizational. It is merely selected and aggregated (March, 1991).

Argyris and Schon (1996) define organizational knowledge as the codes (rules, formal and informal procedures and policies, mental maps and so on) and routines (strategies for performing complex tasks) that guide organizational action. Knowledge has three components: strategies, values and assumption. Mintzberg (1978) define strategies broadly to mean the patterns in action that organizations rely on to perform tasks and fulfill objectives. Strategies may also be interpreted as the organizational routines that characterize a developed bureaucracy. Following Sinkula (1994), values represent the organization's internal sense of the legitimacy of its goals, objectives, and methods of accomplishing them that are held in common by organization members. Finally, assumptions represent the naturally accepted constraints on the scope of routines performed and contemplated for the future by the organization.

From the perspectives, explicitly and tacitly, it is evident that the three dimensions of organizational knowledge; strategies, values and assumptions, correspond to the definition of organizational knowledge as routines and codes.

3. KNOWLEDGE TRANSFER WITHIN MNCS

There is an increasing interest in investigating knowledge, its sources and transfer in MNCs (Gupta and Govindarajan, 2000). As Kostova (1999) has discussed, knowledge transfer within multinational corporations is a complex process and is influenced by many factors at three levels – country, organization and individual. She outlined a multilevel theoretical approach that attempts to capture the key factors that determine the transfer success of a specific type of knowledge – strategic organizational practices. Such a multi-level framework captures the complexity of the phenomenon and highlights the interaction of variables at different levels. Knowledge transfer can be difficult to achieve (Argote, 1999; Szulanski, 2000). For example, a study found that ten of 32 attempts to transfer knowledge from one manufacturing unit to another within the same organization failed and were terminated (Galbraith, 1990). Even when an organization supports the transfer of performance-enhancing knowledge, the transfer may fail for reasons ranging from the quality of the relationship between donor and recipient groups to characteristics of knowledge being transferred (Szulanski, 2000).

Zander and Kogut (1995) argue that firms, as repositories of social knowledge, compete not only through the creation, replication, and transfer of their own knowledge, but also through their ability to imitate the product innovation of competitors. Appleyard's (1996) study looks beyond assumptions that knowledge simply "spills" across company boundaries to identify and examine the mechanisms by which technical knowledge is disseminated. Survey data from 134 employees of semiconductor companies were used to explore why patterns of knowledge exchange are different both across industries and across countries. Inkpen and Beamish's (1997) research shows theoretical framework the acquisition of local knowledge by the foreign partner and the impact that this acquisition of knowledge has on the stability of the international joint ventures.

How multinational diversity and multi-product diversity influence the decision to expand abroad through start-ups or acquisitions (Barkema and Vermeulen, 1998). The results show that multinational diversity leads to foreign start-ups rather than acquisition. Product diversity has a curvilinear effect on the tendency to use start-ups. The curvilinear effects become weaker at higher levels of multinational diversity. The study used an organizational learning perspective to offer a coherent theoretical framework for explanatory variables. The sample contained data on foreign ventures of 25 large nonfinancial Dutch firms in a wide variety of industries. Regardless of the internal benchmarking as a process of identifying, sharing and using the knowledge and best practices inside its own organization (O'dell and Grayson, 1998). Three themes are evident in all successful internal benchmarking: people-to-people relations. Learning and transfer interaction, specific skills and capabilities needed. The transfer of technological know-how (good, actually, to identify what will be transferred and from where, not necessarily from HQ to Subsidiaries, how; and, all types of knowledge

transfers also) is facilitated by communication by time elapsed since acquisition, while the transfer of patents is associated with the articulability of the knowledge, size of the acquired unit, and the regency of the acquisition (Bresman, Birkinshaw, Nobel, 1999). Buckley and Carter (1999), derived conceptual framework model of knowledge transfer and combination. The proposed framework has two drivers: knowledge characteristics and value added from combined knowledge; two constraints: the participants and the technology of knowledge transfer; and two outcomes: the governance structure of the firm and performance characteristics of the process.

Gupta and Govindarajan (2000) investigated into the determinants of internal knowledge transfers within MNCs. Results of the study show that (1) knowledge outflows from subsidiary are positively associated with value of the subsidiary's knowledge stock, its motivational disposition to share knowledge, and the richness of transmission channels; and (2) knowledge inflows into subsidiary are positively associated with richness of transmission channels, motivational disposition to acquire knowledge, and the capacity to absorb the incoming knowledge. Knowledge transfers from subsidiaries back to the parent company and sister unit reflect this new direction of MNC research (Anderson, Forsgren, and Pedersen, 2001).

The characteristics of transfer of knowledge have seldom been consistently taken to be endogenous to organizational processes and arrangements (Foss and Pedersen, 2001). In this dimension the absorptive capacity endogenously by identifying and including the organizational mechanisms (HRM practices), which shape the absorptive capacity of the organization. The strategic purpose of expatriate assignments within MNCs should be considered not in isolation but relative to their potential outcomes (Hocking, Brown, and Harzing, 2004).

Research has shown that transferring knowledge via personnel movement can be effective (Almeida and Kogut, 1999; Boeker, 1997; Galbraith, 1990). For instance, Galbraith (1990) found that technologies transferred more readily between manufacturing establishments within the same organization when personnel from the providing site worked temporarily at the recipient site. Personnel movement between organizations also facilitates knowledge transfer. Transferring knowledge through personnel movement enables organizations to alter knowledge to better-fit new context (Allen, 1977) and to transfer tacit as well as explicit knowledge.

The rotating members groups did not result in knowledge transfer from one group to another (Gruenfeld, Martonrana, and Fan, 2000). Rotating member did, however, exert indirect influence on their original groups upon their return. Groups generated more unique ideas after the rotating members' return than before their departure. These findings might have resulted from recipient groups viewing rotating members as outsiders, whereas their original groups shared a social identity with rotators and might have viewed them as insiders. The effects of social identity and knowledge quality on knowledge transfer across groups (Kane, Argote, and Levine, 2002). The result shown that group was more likely to adopt the routine of a rotator when they shared a super- ordinate social identity with that member. Groups were also more likely to adopt a routine from a rotator when it was superior to their own. Further, superordinate groups adopted the production routine of the rotator when it was superior but not inferior to their own, whereas groups that did not adopt the rotator's production routine, even then it was superior to their own and would have improved their performance.

3.1 Mechanism of Knowledge Transfer

A common theme in this line of research is that MNCs create knowledge in one country and then exploit it in another country, which implies international transfer of knowledge by MNCs. Indeed, one of the very reasons why MNCs exist is that they are an efficient vehicle for creating and transferring knowledge (Kogut and Zander, 1992). The internationalization theory (Johanson and Vahlne, 1977) emphasizes the basic characteristics of the internationalization knowledge as being either experiential or objective and that this has severe implications for the feasibility of articulating and transferring the knowledge. They propose that either the knowledge is available in the form of objective knowledge that is capable of being articulated and transferred, or the firm has to acquire the knowledge through its ongoing business activities, which cannot be articulated or transferred. Managers have to decide: 1) the mode of knowledge acquisition (experiential or objective), 2) to what extent experiential knowledge should be articulated, and 3) the mechanism of knowledge transfer (face-to-face communication or written media). They can either apply transfer mechanism as rich communication media that are able to handle the complex transfer of experiential knowledge or aim to articulate (codify) the knowledge in written media in the transferring process.

Therefore, analyze the relative reliance of firms on two alternative mechanisms for transferring knowledge, namely, (1) knowledge transfer through face-to-face, informal and team based modes and (2) knowledge transfer based on written media like manuals and blueprints. Moreover, as the effectiveness of these transfers mechanisms may vary depending on the means of knowledge acquisition. The aim of this paper is studies on the relationship between the knowledge acquisition and the mechanism of knowledge transfer across international borders.

The focus will be on two specific types of knowledge, namely the production knowledge and service marketing knowledge. The specific knowledge includes a broad range of knowledge on conducting activities abroad such as knowledge on lean production, customer-preferences and standards in the foreign markets.

The possibility of transferring the knowledge is hindered by the characteristics that are intrinsic to the knowledge. This implies that knowledge is transferred as a particular practice following certain rules and procedures that originate in the knowledge providing unit and then undertaken in the recipient unit. In the recipient unit these practices may or may not be infused with the same values as in the knowledge-providing unit. In such cases acquisition of knowledge in the recipient unit may be marginal based on single loop learning (Argyris and Schon, 1978). But, these changes are accommodated within the current institutionalized practices of the firms. The basic characteristics of the old knowledge in the recipient firms remain unchanged. In other cases, a double loop learning takes place and the basic characteristics of the knowledge in the recipient unit is changed. This may lead to changes in the routines and practices in the knowledge recipient unit.

Firms can transfer knowledge across nations through a variety of different modes. We identify two extreme mechanism of knowledge transfer. On one extreme lies “rich communication media” such as face-to-face, informal interaction, and team based mechanisms. This will require individual or team level visits, sharing of experience and face-to-face interaction or socialization (Nonaka, 1987). On the other extreme, knowledge is transferred in written forms involving transfer based on manuals, data base development, written instructions, and blueprints. These are only the two extremes on a scale and the actual transfer of significant knowledge will include both face-to-face communication and written media. The choice of transfer mechanism is obviously related to the characteristics of the particular knowledge in the sense that for some knowledge is would be more appropriate to apply one transfer mechanism than another e.g. it may be more appropriate to apply written media in the transfer of objective knowledge. The appropriability of the transfer mechanism may differ depending on the characteristics of knowledge, but the choice of transfer mechanism is still not given by the characteristics of knowledge. It becomes blurt when knowledge is defined by its ability of being transferred as sometimes seen with experiential and tacit knowledge (e.g. Johanson and Vahlne, 1977; Grant, 1996). Both because the characteristics of knowledge and the transfer mechanism are logically two separate issues, the characteristics of knowledge are not static i.e. knowledge might be codified. This is in line with Hedlund and Nonaka (1993) that distinguish between: the storage of knowledge (as a stock), the transfer of knowledge (as a flow), and the transformation of knowledge (as interactions).

Face-to-face interaction between individuals and firms allows communication and facilitate knowledge transfer that is experience-based, permits interactive communication, questioning, flexibility, and adaptation (Daft and Huber 1987; Bresman, Birkinshaw, and Nobel, 1999). Almeida and Kogut (1999) show that transfer of people allow exploitation of experiential and tacit knowledge in new locations. Rich communication media also allows a better transfer of knowledge that the owner of the knowledge may be unaware of or is unable to express on a written media. Rich communications media is also suitable when partners need to adapt. These adaptations may concern international differences in culture, laws, and business practices, for example. But, this is a costly mode to transfer knowledge. Face-to-face communication is made difficult due to traveling costs involved and due to differences in organizational culture, and differences in language. Face-to-face communication is easier to facilitate when two units have an identical organizational culture and differences in language are minimal. This media is also more suitable for transferring more ‘holistic’ types of knowledge, that is knowledge based on words but also facial expression (Huber, 1991; Sharma, 1998), and creating trust between those who transfer knowledge and those who receive it. Face-to-face interaction is required when the knowledge is experience-based. Knowledge transfer based on manuals etc. implies that the knowledge is objective and codified and the cause-effect relationship is established. It should be possible to separate knowledge from the person who acquired it first, and to separate a particular piece of knowledge from its context, too. Manuals and other written media are cost efficient transfer mechanisms. However, these media are less usable when it comes to transfer of knowledge that requires mutual adaptation between the knowledge

recipient and the knowledge-transferring units. Furthermore, the use of non-personal media requires that the knowledge-receiving unit has already developed sufficient 'absorptive capacity' so that it can decide on which knowledge.

4. NETWORKS OF MNCS

MNC as a network of three types of transaction –capital flows, product flows and knowledge flows (Gupta and Govindarajan, 1994). MNCs capability of taking advantage of the variety of knowledge sources because of its different subsidiaries and make use of the knowledge in locations other than its origin is its true competitive advantage, but how is the network to be structured in order to successfully promote transfer and integration of knowledge within the MNC?

Structural embeddedness focuses on the informational role of the position an organization occupies in the network beyond immediate ties or relationships. In these positional perspectives the frame of reference shifts from the dyad or triad to the system. The position an actor in the network takes up is a function of that actor's relational pattern. Different positions have different informational advantages, e.g. an actor positioned between two other actors can to a certain degree control the information flow between the other actors and thereby also influence the other actors access to information (Cook and Emerson, 1978; Burt, 1992). A common way to describe network structures is as open or closed systems (Burt, 1992; Coleman, 1990; Uzzi, 1996; Kogut, 2000).

The open network structure is the outcome of the competitive struggle between parties motivated by self-interest. The main construct in this type of network is the unique, i.e. non-redundant, ties. A tie is non-redundant if it is the only path between two actors and actors that have multiple non-redundant ties to other actors who are not connected to each other have a strong brokerage position called "structural holes" (Burt, 1992).

The closed network structure builds on the notion that members in a group coordinate their efforts and actions. Coordination is improved through the continues exchange between the actors in the network (Coleman, 1990). The redundant ties between the network partners result in a resolution to collective action problems (Kogut, 2000). Opposed to the broker earning credits in the open network the closed network benefits as a whole.

The benefits in the closed network do not attribute to information transfer efficiency; rather the deep and intense relationships between the participants create trust that promotes cooperative behavior and coordination. From an MNC point of view it is maybe not an ideal situation if one of its subsidiaries benefit from the integration of knowledge on the other subsidiaries' expense.

From a corporate point of view it is probably more efficient if the collective of subsidiaries within the MNC together improve their efficiency and develop a cooperative and coordinated way of dealing with the transfer problem. On the other hand there is a problem of transferring knowledge or information of a more complex nature in arm's length, which favors more deep and intense relationships between the subsidiary and its external counterparts, i.e. a high degree of relational embedded ness. This reasoning is compatible with the findings of Hansen (1999) where author concludes that weak ties between sub-units facilitate exploration, i.e. the search for information of a novel character. Strong ties on the other hand have its advantages when the sub-unit exploits knowledge that originally resides in another sub-unit, i.e. the transfer and incorporation of complex knowledge. Concerning the integration of externally rooted knowledge in the MNC, being conclude that an open network structure very much repeats the hierarchical structure, but in multiple ways, and that the benefits accrue to the bridging subsidiary (Burt, 1992; Kogut, 2000). On the other hand, a closed network among the corporate counterparts facilitates a positive development of the whole network, through cooperation and coordination among the participants, where the gain is being a part of the network structure as such.

Traditionally, multinational corporations (MNCs), which may have many subsidiaries worldwide, have been viewed from the perspective of a mixed network and hierarchy model. The linkages between the components of MNCs are often represented as a starburst connecting the center, the focal organization, to all the satellite organizations. A similar metaphor is the wheel, where the hub is the focal organization, the rim

contains the external organizations, and the spokes represent the network of connections from the hub organization to the external organizations (Ghoshal and Bartlett, 1990). They conceptualize multinational corporations (MNCs) as a "network of exchange relations among different organizational units, including the headquarters and the different national subsidiaries". This definition treats MNCs as a fixed network, which connects all of its far-flung parts to its central core. Several commentators have referred to such forms as "spider's web" organizations due to their dense interconnections among dispersed nodes and minimal reliance on central hierarchy (Quinn, 1992; Reich, 1991).

5. HRM PRACTICES OF KNOWLEDGE TRANSFER

Knowledge is what underlines both human capital and core competence – the codified or tacit knowledge embedded in people's skill and complex tacit know-how anchored in an organizational capability. Indeed, Kogut and Zander (1992) have argued that the source of advantage for multinational firms is this ability to transfer and recombine knowledge across border. This perspective will lead in the research to some of the frontiers of human resource management in multinational organization, exploring different aspects of the social and cultural transfer knowledge via people.

New knowledge gets create through social processes of combination and exchange (Kogut and Zander, 1992; Galunic and Rodan, 1998; Eisenhardt and Galunic, 2000). Examples of combination go from Schumpterian innovation in which new technology is combined with existing know-how in a process of "creative destruction," to the interaction between two functional groups in a multinational firm brought together by a project, to new ideas that are transferred through the mobility of people from one division to another.

The challenges of new assignment and adaptation to practices and those of coordination and control of distant operations have existed. As foreign markets moved from developing to developed status, localization became a new imperative, also leading to the complex task of tracking and developing a global talent pool. It became clear that even local managers needed to have international experience as globalization started to have an impact on domestic operations (Morgan, 1986).

HRM started to be seen as an integral element of the multinational organization, spurred by the failure of structural solutions to the problems of coordination and control, and by the fact that strategic innovations increasingly came from local units rather than central planners. This led to a focus on how HRM management practices might assist in providing cohesion to the multinational firm. HRM is at the crux of today's challenges of knowledge transfer that may be so vital to keeping up with future.

The development of shared global standards in HRM so as to drive the transfer of know-how and to ensure consistent performance (for example, in terms of quality as well as conformity to environmental/safety standards) in which, is closely linked to specific HRM tools and techniques. Human resource practices play an important role factors such as team-based production, worker participation in problem solving, job rotation, few job classifications, and high level of training. The use of comprehensive methods for employee selection and socialization reduced the impact of being in a different cultural and institutional environment (i.e., Pil and MacDuffie, 1999; Shimada and MacDuffie, 1999, Peterson, Peng and Smith, 1999).

Socialization is exercised by means of a variety of HRM tools. The process begins with the selection of people who will "transfer knowledge fit", guided by some explicit or implicit set of values and competencies (Jaeger, 1982). Consequently, immediate skills and background were less important relative to criteria such as willingness to learn, adaptability and ability to work in teams (Beaumont, 1993). The most common uses of job analysis are in setting up personnel selection procedure (test development and validation) and performance appraisal systems. The critical incident technique (CTI) developed by Flanagan (1954) involves having those familiar with the job record incidents of effective and ineffective behavior they have seen on the job over a period of time. Moore and Dutton (1978) list performance evaluation data, direct observation test, questionnaires, specially designed situations, and critical incidents as sources of information available for person assessment.

However, the provision of selection needs to measure the individual's characteristic, abilities and attitude on the same criteria and with specific results of operational and social mechanisms for transfer knowledge

such as problem-solving attitude, a capacity to challenge one's preferred frame of reference and organizational practice, a capacity to appreciate the contribution of others, locally and overseas, a willingness to apply experience to problems in other parts of the organization (Currie and Kerrin, 2003).Effectively human resource management requires more than selection from a series of practice. The challenge is to develop configuration of HR practices that help implement the organization's advance its competitiveness.

Besides using employee selection, performance appraisals also play a role as an administrative tool in decision-making after personnel's contribution to the organization during a specified period of time is assessed. There are three basic categories of performance information 1) A trait-based appraisal system –assesses the abilities or other personal characteristics of an employee; 2) A behavior-based system measures – the extent to which an employee engage in specific, relatively well defined behavior while on the job; 3) A results-based system measures the 'bottom line' associated with an employee's work: did the job get done, was a profit made?' The performance of individuals must be accurately assessed, the rewards provided must truly be of value of employees, and the organization must develop a performance-based reward system that employees perceive as being fairly administered.

Having defined career goals and being aware of other job opportunities within the firm may also motivate employees to work harder at developing their skills because they understand how effort now will off later (Leibowitz, Farren, and Kaye, 1988).

5.1 Headquarter Involvement

The type or amount of knowledge transferred between subsidiaries, headquarters will always have an active presence. The degree of involvement frequently depends on the complexity of the transfer process. In some circumstances it would be more efficient for the subsidiaries to perform the transfer directly without the mediating role of headquarters. In other circumstances, however, knowledge transfer is too complicated, if not impossible, without headquarters' intervention. For example, the transfer of tactical knowledge designated for the same functional areas, between subsidiaries with a history of good communication, which are located in countries with similar cultures might be considered relatively easy. On the other hand, the transfer of strategic knowledge between subsidiaries located in culturally distant countries presents a higher degree of complexity and requires more involvement from headquarters. There are objective reasons, such as language differences or management culture characteristics, that make the knowledge transfer between subsidiaries located in culturally distant countries very complicated if not impossible.

The role of headquarters in the knowledge transfer process between subsidiaries has two aspects. On one hand, there is a need for involvement from headquarters as a moderator of the knowledge transfer process when subsidiaries cannot perform the transfer directly. For example, headquarters involvement might be useful when there is a history of prior conflict among subsidiaries or there is a lack of prior shared knowledge between the organizational units. In these situations, the degree of headquarters involvement will influence the effectiveness of the transfer process. To measure the degree of headquarters involvement one might determine the financial and human resources invested in facilitating the transfer and the time spent by headquarters during the transfer process. A second aspect of headquarters involvement is the nature of the mechanisms headquarters uses to encourage learning by subsidiaries. This dimension of headquarters involvement taps more into the effectiveness of the headquarters' actions than the amount of participation. Although it is tempting to believe that increased involvement by headquarters will result in more effective knowledge transfer, such a view is problematic. Each transfer is unique, having different actors and settings. A headquarters is likely to use different mechanisms depending on the type of knowledge being transferred, the characteristics of the subsidiaries and the constraints imposed by the environment. Comparing the mechanisms from one process to another is not appropriate because the particularities of the transfer are different. Thus, in this paper, headquarters involvement in the transfer process is conceptualized as the degree of participation.

5.2 Subsidiaries' Culture

All group members, being a part of the corporation share the same experience at the very first meeting. Their common experience is the corporate culture they have been sharing during their career in this very firm. So corporate culture is the start because it has already tried to gather people with the same values, traditions, conventions, myths, norms, ways of thinking, where the employees receive the guidelines of

behavior and responsibility (Hinterhuber, 1997). According the organizational culture could be analyzed in three different analytical levels:

· Artifacts (physical manifestations, language, stories, technology-materials, operations, knowledge, visible traditions)

· Values (authenticity, auto-visuality, credibility, domesticity, essentiality, individuality, inventiveness)

· Basic Assumptions (reality and truth, time, space, human Culture, human activity, human relationships)

According to De Long and Fahey (2000), there are four frameworks linking culture and knowledge: Culture shapes assumptions about which knowledge is important, culture mediates the relationships between levels of knowledge, culture creates a context for social interaction and finally culture shapes creation and adaptation of new knowledge (De Long and Fahey, 2000, p.116-123). The first point in this issue is very much related to managerial actions since it is vital to underline how different cultures or subcultures support knowledge sharing, determining essential ways of behavior, which are critical for knowledge- building activities and to be aware of the barriers for sharing existing norms and practices. Among the levels of the organizational knowledge, the most specific is individual knowledge, which also creates the organizational knowledge through group influence.

6. CONCLUDING REMARKS

In a nutshell, the knowledge transfer via personal movement agenda include 'reverse culture shock' (Howard, 1974), to take the view that before HRM can even begin to examine the individual's capacity to adjust to new or previously familiar circumstances. Culture is normally perceived in terms of its integrative ethos and its capacity to create and embody shared values.

In the context of HRM practices in knowledge transfer via personnel movement, international or local assignments can be design in such a way as to enhance the creation and utilization of knowledge. To the extent that organizations depend on human resources to achieve worldwide efficiencies in product and service delivery, the process of knowledge to transfer, which resides in individuals should be a central concern in international business. This highlights the need for organizations to adopt an HRM perspective, which ensures the generation of technical, social and personal skills in international or local assignments (Harris and Moran, 1991). It is evident from the above that the mobility of people, effective HRM standardization and a willingness to challenge traditional wisdom are the cornerstones of the mechanisms for the diffusion of knowledge.

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