

## KNOWLEDGE HARVESTING FROM INTERNATIONAL JOINT VENTURES (IJVs): A CONCEPTUAL PAPER

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**ABSTRACT:** *Learning in (through) IJVs has become one of the prominent issues in organizational learning debates. This conceptual paper is developed to examine the inter-partner learning in (through) IJVs which focuses on the movement of transformed and newly created knowledge from IJVs to parent firms (Knowledge Harvesting). In order to do so; firstly, theories relating to the subject are collected then analyzed, including organizational learning, knowledge management in IJVs and knowledge harvesting. Secondly, some factors have been examined in terms of their effects on knowledge harvesting process such as learning intent, learning capability, organizational control and personal engagement. Furthermore, assumptions are stated for positive direction of these relationships and for knowledge harvesting. Based on these assumptions, the conceptual framework is proposed. Finally, the paper ends with conclusion part.*

**Key words:** *learning organization, knowledge harvesting, IJVs*

### 1. INTRODUCTION

Knowledge harvesting has been studied by numbers of authors such as Berdrow and Lane (2002), Inkpen and Crossan (1995), Tiemessen et al (1997). However, there are only Inkpen and Crossan who have a relatively comprehensive view the topic. By taking a numbers of studies about IJVs between North American and Japanese firms, Inkpen and his colleagues have recognized that there is little knowledge harvested from IJVs to North American firms.. There are various explanations, according to the authors, for the failure to learn such as the alliance knowledge is undervalued, the parent corporate culture does not support for learning etc. It is easy to recognize that both American and Japanese

firms have the same level of development. A question is rising here: whether knowledge harvesting occurs in IJVs which is established by firms from developing and developed countries? According to Tsang (1999), firms in developing countries, such as China, try to learn technological and management skills which are brought in. Therefore, it can be argued that, for firms in developing countries, one of the best ways to enrich the stock of knowledge is acquisition/harvesting knowledge through IJVs.

Knowledge harvesting is the third phase of three-phase knowledge acquisition, namely: transfer, transform and harvesting (Tiemessen et al, 1997). The arm of this paper is to determine a set of factors and consider how

these factors impact (facilitate/inhibit) on knowledge harvesting. For structuring, it only considers one way of knowledge from IJVs to firms in developing countries.

The rest of the article is organized in order as follows: background to learning and knowledge harvesting in (through) IJVs, influential factors to knowledge harvesting and propositions, conceptual framework and ending with the conclusion.

## 2. BACKGROUND

### 2.1. Learning pattern

Organizational learning has emerged as the prominent and is addressed by a broad range of literatures: organization theory, industrial economics and business management (Dodgson, 1993). There is no theory or modal of organizational learning has been accepted widely. While Argyris and Schon (1978) define organizational learning as a process of detecting and correcting errors so that organizations are able to function and realize their goals and objectives, Simon (1991) defines organizational learning as the growing insights and successful re-structuring of organizational problems by individuals reflected in the structural elements and outcome of the organization itself. Fiol and Lyles (1985) also develop another definition: organizational learning means the process of improving actions through better knowledge and understanding. Levitt and Marth (1988) state organizational learning is as routine-based, history-dependent and target-oriented.

Within an organization, learning occurs in different levels. According to Argyris and Schon (1978), there are single-loop learning, double-loop learning and deuteron-learning. Single-loop learning refers to the way to which errors are corrected through feedback loop. Double-loop learning goes further than that; it is not immediate solution for problems. Double-loop learning is cognitive by which it develops principles and strategies to determine future organizational behaviors as the essential conditions for new way of doing business. Deutero-learning is learning how to learn. It refers to the cognitive change of organizational members as the result of previous learning experience.

In the different school of thought, Fiol and Lyles (1985) suggest two levels of learning: lower level and higher level learning. Lower level learning is the learning could occur in specific conditions of organizational structure with given set of rules. In contrast, higher level learning is to aim at adjusting overall rules and norms rather than specific behaviors and activities. Cangelosi and Drill (1995) propose learning occurs at individual, group and organization level. The fourth level: inter-organizational is considered in the literature as the form of learning between organizations through partnership and joint ventures. Indeed, all learning takes place inside individual human heads (Simon, 1991). However, it is not mean that organizational learning is the sum of each member's learning. According to Hedberg (as cited by Fiol & Lyles, 1985), although

organizations have no brains but they have cognitive systems and memories.

According to Hult (1998), Slater and Nerver (1995); organizational learning is multi-dimensional construct that includes multiple processes and may occur at different cognitive levels. The processes of organizational learning can be revealed as four-stage process (Huber, 1991; Sikuda, 1994), it includes knowledge acquisition, information distribution, information interpretation, and organizational memory. In turn, knowledge acquisition construct is revealed as consisting of five sub-constructs: (1) Congenital learning: drawing on knowledge available at the organization's birth, (2) Experiential learning: learning from experience, (3) Vicarious learning: learning by observing other organizations, (4) Grafting: grafting on to itself components that possess knowledge needed but not possessed by the organization, and (5) Searching and Noticing: noticing or searching for information about the organization's environment and performances.

Tiemessen et al (1997) has a different model of organizational learning which is observed in IJVs. It includes knowledge transfer, knowledge transform and knowledge harvesting.

The current research is developed by combining of both frameworks by Tiemessen et al and Huber. It drops in vicarious learning and knowledge harvesting.

## 2.2. IJVs

International joint venture is a form of international strategic alliances that bring

together two or more firms; especially, between firms from developing and developed countries, to engage in joint activities. IJVs provide opportunities to which each member contributes resources and hopes to gain higher value of the resources (Beamish & Berdrow, 2003). By bringing two or more firms from different countries, with different skills, knowledge bases and organizational cultures; international strategic alliances create learning opportunities for each partner (Inkpen, 1998).

Beamish and Berdrow (2003), determine two conditions for learning occurring in network of alliance. Firstly, among other motivations, IJV must be formed for the purpose of learning. Moreover, learning should be conscious intent to which drives to learning behaviors. According to Tsang (1999), for IJV formed by firms from developed and developing countries, locating in developing countries, there is usually a large gap of technical competency between partners. So the objectives of each partner are different. An empirical research in China, Tsang recognizes that while Chinese partners try to learn technological and management skills which are brought in, counterparts focus on learning from business experience in China

## 2.3. Knowledge harvesting from IJV by parent firms

Knowledge harvesting is part of wider discipline known as knowledge management (Liu et al, 2007) and is the third phase of three-phase knowledge acquisition, namely: transfer, transformation and harvesting (Tiemessen et al,

1997). Beamish and Berdrow (2003) define knowledge harvesting as the process by which transformed and newly created knowledge move from IJVs back to parent firms; whereas, according to Snyder and Wilson (as cited by Liu et al, 2007, pp 747), "knowledge harvesting is an integrated set of processes wherein the tacit of a topic expert is converted into specific, actionable know-how that can be transferred to novices via technology and personal communication".

Knowledge harvesting in the current research is understood as the joining of both understands. It means that knowledge harvesting has two phases. The first phase is the flow of transformed and newly created knowledge from IJVs backs to parent firms and the second phase is the conversion of knowledge to organizational level.

The knowledge harvesting process involves two key players, the knowledge harvester and the knowledge carrier. Knowledge harvester refers to local organizations which intent to harvest knowledge through IJVs. The knowledge carrier refers to individuals who carry knowledge from IJVs back to local firms. The result of knowledge acquisition/harvesting depends on effort of both sides (Le & Evangelista, 2007).

According to Beamish and Berdrow (2003), knowledge harvesting is an area that has not received much attention by researchers. One of the rarely pioneers is Inkpen. Inkpen (1998) has been determined numbers of

influenced factors to acknowledge why parent firms do not harvest knowledge from JV such as the alliance knowledge is undervalued, the parent corporate culture do not support for learning.

### 3. KNOWLEDGE HARVESTING FACILITATORS/INHIBITORS

Various factors have been examined to have significant role to knowledge harvesting both facilitate and inhabit. Tiemessen et al (1997) determines the barrier is that individuals in parent organization have little interaction with IJV. Besides that, Inkpen (1998) points out some reasons such as alliance knowledge is undervalued, and organizational culture does not support learning. Liu et al (2008) suggests that the vary of personal engagement is also important to knowledge harvesting.

The current research develops two groups of factors. The first group includes factors which belong to organization (knowledge harvester). The second group contains individual factor (knowledge carriers).

#### 3.1. Organizational factors

Organizational factors are viewed as factors to which they are associated with organizational strategies in term of knowledge harvesting. Learning is a process by which it is designed rather than by chances (Garvin, 1993). Learning process should start from the intent to learn (learning intent). The resources (learning capability) are specified to realize the intent. Learning process should be governed and controlled so that the learning result consists with learning objectives.

In the following section, it is going to review clearly each factor to knowledge harvesting.

### *3.1.1. Learning intent*

According to Hamel (1991), in the strategic alliance context, learning intent means the desire and will of an organization to learn from its partner or cooperative environment. Learning intent reflects the local firm's initial propensity to view collaboration as an opportunity to learn the other firm's knowledge and skills. Learning intent sometimes refers to motivation to learn (Mohr & Sengupta, 2002). Moreover, learning intent is likely to be a major driving force behind the resource allocated for learning (Kalling, 2003). Tsang (1999) proposes the presence of learning intent in a firm is the first step toward effective learning although learning intent is not essential for learning in some cases such as experiential learning, to take place. As mentioned earlier, IJV must be formed for the purpose of learning, so learning should be conscious intent to which drives learning behaviors. Therefore, the proposition is stated that

**Proposition 1:** The learning intent of local firms has a positive influence on knowledge harvesting

### *3.1.2. Learning capability*

It is understood that learning capacity at the organization level is as the equivalent of bounded rationality at the individual level (Simonin, 2004). Bounded rationality is the limited capacity of human beings to obtain, store, process and share information accurately.

Learning capability is similar to absorptive capability. Cohen and Levinthal (1990) define absorptive capability as the ability to recognize the value of new external knowledge, assimilate it and apply it to commercial ends. The concept of learning capability is refined into three distinct components: resource, incentive and cognitive-based learning capability (Simonin, 2004). Learning is a collective activity that takes place under certain conditions and circumstances. Therefore organizations need to create the conditions to foster learning (Goh, 2003). So that, the proposition is:

**Proposition 2:** The learning capability of local firms has a positive influence on knowledge harvesting

### *3.1.3. Organizational control*

Organizational control is the efforts of management to increase the likelihood that individual will act in the way with organization that leads to the attainment of organizational objectives (Flamholtz et al, 1985; King & Marks Jr, 2008). According to Jaworski (1988), control implies that the standard has been set, monitored and correct action is taken when a deviation from the standard is deemed. It is a factor that has a significant role to an individual's willingness to share his/her knowledge (Loebecke et al, 1999; King & Marks Jr, 2008). There are two types of organizational control which is identified: formal and informal (Jaworski, 1988). Formal control is written managerial-mechanism. In contrast, informal

control is unwritten. Therefore, the proposition is that:

**Proposition 3:** The organizational control system has a positive impact on knowledge harvesting.

#### *3.1.4. Personal engagement*

People who those finish their roles in JV and come back to parent firms are knowledge connection between parent firms and IJVs. The success or failure of knowledge harvesting process is almost depended on level of the personal engagement of these people in terms of commit to come back parent firms, utilization and sharing their knowledge. In fact, there are numbers of employees do not come back parent firms after finish their roles in IJVs or they are not enthusiasm using and sharing their knowledge which has been learn from JV for parent firms development.

Personal engagement is understood as the “harnessing of organization members’ selves to their work roles; in engagement, people employ and express themselves physically, cognitively and emotionally during their performance” (Kahn, 1990, pp.694). Individuals become engaged when their energy is driven into role behaviors (self-employment) and display the self within role (self-expression). Kahn (1990) and May et al (2004) determines the psychological foundations hiding behind the issue are: meaningfulness, safety and

availability. Meaningfulness refers to the values or the purposes of the engagement of staffs to parent firms whereas psychological safety refers to the feeling able to contribute the knowledge to organizational development without fear of negative consequences to self-image, status or career. Psychological availability is the individual’s belief that he/she has enough emotional, cognitive resources to support for engaging in role performance. These concepts help to explain “the variances in people’s bringing to and leaving out of themselves in their work role performances” (Simpson, 2009, pp. 1014). Indeed, individual has better resources may have higher level of availability. There are evidences the relationship between engagement of employee at work and organizational outcomes (Simpson, 2009). Therefore, the proposition is stated that:

**Proposition 4:** The engagement of people who carry knowledge from IJVs to local firms has a positive influence on knowledge harvesting.

#### **4. CONCEPTUAL FRAMEWORK**

Based on the analysis above, it is going to develop the framework which illustrates the impact of these factors on knowledge harvesting (Figure 1).

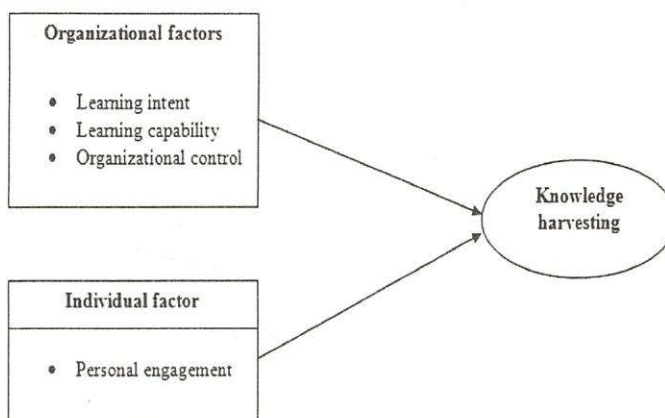


Figure 1. Factors influence on knowledge harvesting

## 5. SUMMARY

In summary, harvesting knowledge from strategic alliances is the motivation of firms in developing countries. The paper has been referred to numbers of factors which have a significant role to knowledge harvesting: learning intent, learning capability,

organizational control and personal engagement. The propositions are also stated to address the relationship of these factors to knowledge harvesting. However, this is just a conceptual paper; so that additional hypothesis testing is needed in next step of the current research.

## THU HOẠCH TRI THỨC TỪ CÁC LIÊN DOANH QUỐC TẾ (IJVS)

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**TÓM TẮT:** Học tập trong (thông qua) IJVs đã trở thành một vấn đề đáng quan tâm trong các tranh luận về học tập tổ chức. Bài báo này được phát triển để xem xét việc học tập giữa các đối tác trong (thông qua) IJVs, nó tập trung vào sự di chuyển của tri thức đã được chuyển hóa và tạo mới từ IJVs về lại các công ty mẹ địa phương (Thu hoạch tri thức). Để làm được điều này; trước tiên, lý thuyết về chủ đề này được tổng hợp và phân tích, gồm: học tập tổ chức, quản trị và thu hoạch tri thức trong (thông qua) IJVs. Thứ nhì, xem xét một số yếu tố có năng lực ảnh hưởng đến thu hoạch tri thức: ý định học tập (learning intent), năng lực học tập (learning capability), kiểm soát tổ chức về học tập (organizational control) và cam kết của cá nhân về học tập (personal engagement). Tiếp theo, các giả định về mối quan hệ tích cực giữa các yếu tố này và thu hoạch tri thức được thiết lập. Dựa trên các giả định này, mô hình mô phỏng được phát triển. Đây là những gì được trình bày trong bài viết này.

**Từ khóa:** Học tập trong (thông qua) IJVs, Thu hoạch tri thức

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