

Breaking Down Barriers to Knowledge Transfer



Gabriel Szulanski

The INSEAD Chaired Professor of Strategy

Szulanski 's impact in brief

- ▶ Szulanski is considered an international authority on the inter-firm transfer of knowledge, receiving honours from the most prestigious academic bodies.
- ▶ His research has led him to some of the biggest global players in his quest to understand and map the knowledge transfer process across boundaries.
- ▶ His paper "[Exploring internal stickiness: Impediments to the transfer of best practice within the firm](#)" is one of the most influential articles in the history of strategic management research.
- ▶ Szulanski's timeless research and teaching material on companies struggling to transfer best practices still constitute exceptional pedagogical tools in MBA classes around the world, despite advances in technology and communications.

It may seem natural to expect that business units conducting the same operations in different places would have comparable results. Unfortunately, this is rarely the case. Given that the difference is often significant, finding a way to transfer best practices across a company is an efficient way to realise enormous cost savings and enhance competitive advantage. Sharing knowledge within an organisation should be a simple task. So why is it so hard?

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“You can see a high-performance factory or office, but it just doesn't spread. I don't know why,” William Buehler noted while Senior Vice President at Xerox.

For many years the difficulties were blamed on motivational factors – the ‘not invented here syndrome’ – suggesting people were resistant to knowledge that came from outside their unit. Firms tried to manage it using incentives, but doing so while maintaining uniformity across an organisation created its own

dilemma. Sensing that there was more to it, INSEAD Professor of Strategy, Gabriel Szulanski, took a closer look. Going into eight companies and uncovering data that no one had seen before, he discovered that transferring knowledge was not a single act of communication, as widely perceived, but an intricate process, and that motivational elements were not the only obstacles preventing its flow.

Szulanski's ground-breaking study found that factors such as the recipient's ability to absorb new knowledge, the relationship between the source and the recipient, as well as causal ambiguity – the tacit but valuable knowledge that people may not even know they possess – contribute to this knowledge “stickiness”. He then created a unique framework to help firms identify the specific impediments that affect them and strategies to capitalise on the knowledge they possess by spreading best practice across their organisation.

A world authority on knowledge transfer

Szulanski's subsequent large body of complementary high-quality research had real managerial relevance and was published in some of the world's top academic journals.

“I would consider him the world authority on inter-firm transfer of best practice,” said Carla O'Dell, Chairman of the American Productivity & Quality Center – a

leading research institute committed to improving benchmarking, best practices and knowledge management. “Gabriel has had an influence on literally hundreds of organisations. He was there at the beginning when knowledge management was just starting to be taken seriously by companies. The work he produced, and continues to produce, is fundamental to our benchmarking methodology.”

“Gabriel recognised that the transfer of knowledge did not happen in an instant, rather it was a process.”

Szulanski’s initial, single-authored paper, [“Exploring internal stickiness: Impediments to the transfer of best practice within the firm”](#), was awarded the prestigious Strategic Management Journal Best Paper Award.

It has been cited more than 10,500 times and, in 2007, was ranked as one of the most influential articles in the history of strategic management research.

In addition to shedding light on a challenge that had been confounding firms across sectors, Szulanski’s papers introduced a new methodological angle to strategy research, combining a quantitative big data approach with case study analysis, scrutinising each micro step in the transfer process.

“By going into eight companies, looking at a series of transfers of best practice in each – 122 in total – and then examining different variables, he created a huge database and uncovered some fascinating evidence on the nature of the problem, which went far further than any previous research had done,” said Robert M. Grant, Professor of Strategic Management at Bocconi University.

“This was incredibly innovative work which encouraged others to take a deeper approach to finding data. Unfortunately, it is still not done often enough.”

Finding new paths to managing sticky knowledge

Ignoring traditional views that the study of knowledge transfer held little academic worth, Szulanski took a broad and in-depth approach drawing on sociology, psychology, management and economics. He created scales for measuring causal ambiguity and motivation, which continue to be used in research today. Doggedly and patiently, Szulanski showed that when it came to transferring best practice within a firm or industry, no instruction book is as beneficial as observing best practice in action.

“When causal ambiguity is at play, not only can people

not accurately predict results (because they don’t know what factors are at play), there is a limit to what they know,” he noted.

This revelation has helped firms like Xerox and Banc One better understand why their attempts to transfer best practices failed.

Szulanski visited Xerox in the 1990s to observe a series of best practice initiatives designed to transfer the company’s success in the United States to its European units. On his arrival, he found the company ready to abandon the project, as it had failed dismally to introduce a new best practice blueprint. Aimed at leveraging the firm’s computer-assisted sales management process, the initiative had conceptually linked a number of practices which had never been tested or used together before. Szulanski was able to show that greater success could be achieved if the firm first focused on developing a working template using pilot units that could later act as benchmarks.

Data taken from Szulanski’s time at Xerox fed into his later work with Sidney Winter, a professor of the Wharton School, on replication. Together they produced the highly cited papers [“Replication as Strategy”](#) published in Organization Science and [“Getting It Right the Second Time”](#) in Harvard Business Review.

Ongoing impact

While companies today are more attuned to knowledge sharing techniques, Szulanski’s work provides a strong framework for sharing knowledge related to industry processes, training or dealing with regulators.

“The Rank Xerox case is still a part of my MBA course and is always very well received. Students (particularly those from large multinational organisations) perceive the issues as still very current and very important,” noted Linda Argote, the David M. Kirr and Barbara A. Kirr Professor of Organizational Behavior and Theory at Carnegie Mellon University.

“These days people are a lot more interested in why does an effect occur, what underlying factor accounts for this. Gabriel’s approach is being adopted to address these questions,” she said.

In today’s business environment of innovation and disruption, companies are taking advantage of messaging options such as Skype and WhatsApp. However, there are still certain kinds of knowledge not easily transferred by digital technology. Szulanski’s recent research has helped companies look at ways to optimise their time and transfer dollars in a big data environment.

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