

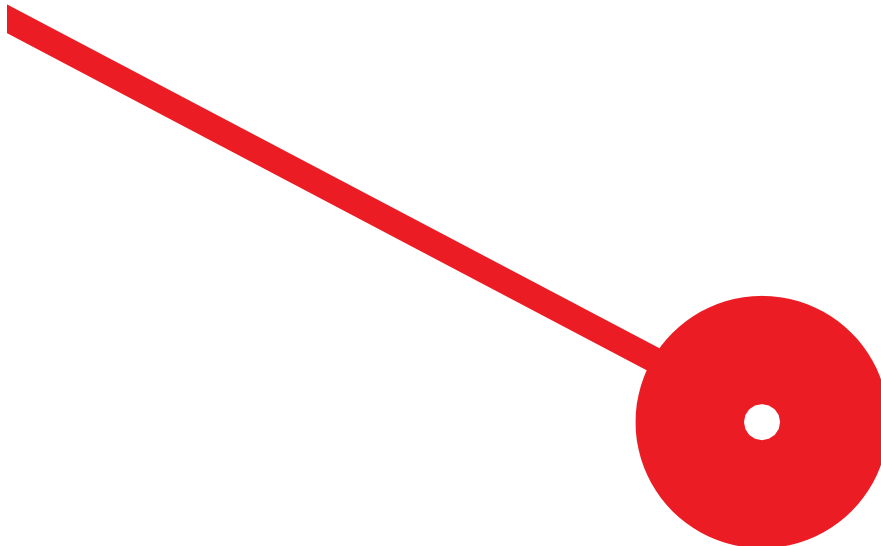
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Masters in Intercultural Studies for Business

**Knowledge Transfer – The Important Key for the
Modern Business Concepts**

Eugeniu Pavlocev

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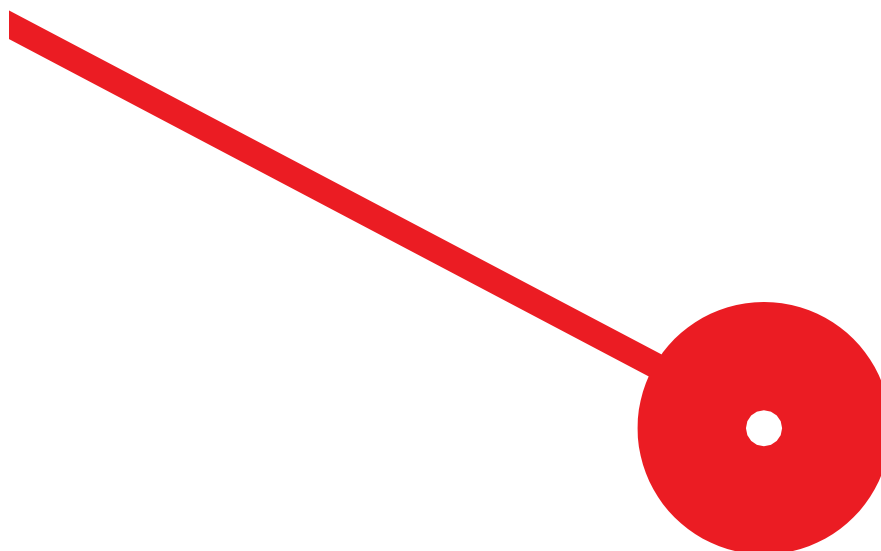
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Knowledge Transfer – The Important Key for the Modern Business Concepts

Eugeniu Pavlocev

Internship Report presented to the Instituto Superior de Contabilidade e Administração do Porto to obtain a Master's Degree in Intercultural Studies for Business, under the guidance and supervision of Professor Sara Maria Cerqueira da Silva Pascoal PhD.



List of Abbreviations

IDV	Individualism Index
MAS	Masculinity Index
MNC	Multinational Corporation
MNE	Multinational Enterprise
PCM	Personal-Coordination Mechanisms
PDI	Power Distance Index
SEO	Search Engine Optimization
TCM	Technology-based Coordination Mechanisms
UAI	Uncertainty Avoidance Index

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Abstract

This internship report examines the importance of the knowledge transfer and how cultural differences affect individuals in modern business environment and the relationship between parent companies and subsidiaries of international corporations. This topic is becoming increasingly important because globalization is leading to more companies expanding abroad, adapting a multicultural environment and recruiting a diverse number of different nationalities. As a channel for the transfer of knowledge, communication will be given special attention, because it seems likely that barriers are created due to personal and cultural differences, preventing development of the companies and knowledge transfer across individuals. The internship experience will demonstrate in practical methodology some of the issues that appeared through the professional life as an intern. First, it will be introduced the theoretical part regarding the institutional to understand the companies from outside. Furthermore, the relevance of the knowledge transfer will be analyzed, followed by the international and cultural issues. In the end, a discussion part occur and the the report of the internships from Mercedes-Benz, Porto Design Factory and Bettzeit will demonstrate .

Key Words: Knowledge Transfer, Culture, Globalization, Intercultural Communication.

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Chapter 1 - Introduction

Knowledge represents a decisive resource in companies because, compared to other resources, it is most likely to enable sustainability and the generation of competitive advantages (cf. Dierickx / Cool, 1989; Lippman / Rumelt, 1982). Today, knowledge is becoming increasingly important and a decisive competitive factor, so that the concentration of economic factors in companies is increasingly shifting to the area of knowledge generation and processing (cf. Faith / Seeam, 2018, p. 53). For this reason, companies have knowledge management systems that facilitate the use and development of knowledge bases (cf. Schütt, 2003, p. 453).

"Knowledge transfer among organizational units provides opportunities for mutual learning and interunit cooperation that stimulate the creation of new knowledge and, at the same time, contribute to organizational units' ability to innovate." (Tsai, 2001).

This quote is intended to illustrate the importance attached to the transfer of knowledge. Above all, the transfer of knowledge within the management system is important because it helps companies to innovate, which is necessary because markets are changing rapidly these days (cf. Nonaka, 2007, p. 164).

From outside of the companies young generation is looking more and more for internships abroad as the only way to find the professional experience and knowledge necessary to open the career door. This is my example as well. However, some young people have a difficult time acquiring the knowledge necessary, facing barriers during the internships. The focus of this work should be on the major challenges that knowledge transfer poses for companies. The aim is to examine which barriers arise in the knowledge transfer of internationally operating companies, whether cultural aspects play a role here and to what extent these can be overcome. To this end, it will first be shown what distinguishes institutions in the international environment, what challenges they are confronted with and what influence isomorphism has. This is followed by a differentiation of the knowledge dimensions and an explanation of the transfer of knowledge. Communication as a medium of knowledge transfer is important to be focused, because it is precisely here that clear cultural differences can be observed. Then the challenges of knowledge transfer in general will be presented. The fourth section deals in particular with the transfer of knowledge in an international context and its challenges, since the international transfer of knowledge has increased over the years (cf. Bresman / Birkinshaw / Nobel 1999). This is intended to illustrate which difficulties in the international environment are on a larger scale. In addition, the causes of the challenges and proposed solutions are given. In the

last section, the concept of culture is described, as there are several definitions of culture. In addition, the barriers of culture in communication are pointed out and solutions proposed.

Chapter 2 - Institutional Theory

The following section discusses the institutional theory used to investigate the adaptation and spread of organisational forms and practices (cf. Björkman / Fey / Park, 2007). If companies want to establish subsidiaries in an international context, these companies are embedded in a country-specific institutional agreement or environment (cf. Busenitz / Gómez / Spencer, 2000). It is therefore important to examine the institutional country profiles, which show the characteristics of a country environment with social embedding in the organisational field (cf. Kostova, 1997, p. 180). The organizational field represents those organizations that are generally understood as an area of institutional life. These include main suppliers, resources, consumers and regulatory agencies. (cf. DiMaggio / Powell, 1983) It is referred to as embedding because it is assumed that individuals, organisations and organisational routines are influenced by the social environment in which they find themselves (cf. Kostova, 1997, p. 180).

The basic hypothesis within Institutional Theory is that organizations are under social influence and pressure to adopt practices that are best suited to a situation. The strength of the parent company's influence on the subsidiary and the institutional environment within Multinational Corporations (MNCs) will be examined with the help of this theory. (cf. DiMaggio / Powell, 1983) Changes in institutions due to globalisation, the associated challenges and the significance of isomorphism are to be shown in this context.

2.1 Institutions in the international environment

When countries are referred to have an institutional character, this refers to the study of the impact of institutions on the respective country. The country environment is examined more closely. This includes cultural norms, social knowledge and regulations. (cf. Kostova, 1997) This reflects the institutional environment that represents a country with a group of important institutions. Institutions are considered which have established themselves over time, operate in this country and become organisations through individuals. (cf. Kostova, 1997, p. 180)

In 1997, Kostova developed institutional country profiles to describe the external organisational environment at country level. Three different forms of institutions are distinguished: "regulatory", "cognitive" and "normative" institutions. The regulatory institution is defined as laws and regulations in a particular national environment that promote certain types of behaviour and restrict others. The cognitive institution comprises cognitive structures and social knowledge shared by people in a particular country. The

normative institution includes social norms, values, beliefs, human assumptions, and the behavior that is socially shared and carried within each individual. (cf. Kostova, 1997, p. 180)

Globalisation has made it possible to liberalise markets. This is accompanied by growth and internationalization of markets, which are characterized by increasing complexity. (cf. Davenport / Prusak, 1998, p. 13) The convergence of different cultures, consumption structures and markets is seen as a consequence of globalisation (cf. Meyer/Mudambi/Rajneesh, 2011). A widespread opinion is that the world is experiencing a rapid globalization, which forces countries, industries and companies to become more homogeneous in terms of organizational patterns of best practice or optimal efficiency. Those who fail will fail in the global economy. Guillén, however, saw economic success and the organizational form as a mutual recognition or perception that is called upon by globalization to be different (cf. Guillén, 2003, p. 3). There are differences between and within regions, countries, cultures and societies that are not greatly attenuated by globalization. For there are many indications that the local environment remains an important factor. An important success factor is the embedding of companies in a local environment. Knowledge of this environment also contributes to success. (cf. Meyer et al., 2011) No convergence has been observed among globally active companies (cf. La Porta / Lopez-de-Silanes / Shleifer, 1999). The reason for this is that globalization improves mutual perception in the world, so that a variety of organizational forms is expected. With this diversity, countries and companies try to differentiate themselves in the global economy. (cf. Guillén, 2003, p. 6) There are specialists who are of the opinion that the similarity of companies is increasing (cf. Kostova / Roth / Dacin, 2008, p. 998). Others claim that a certain inequality is maintained (cf. Ghemawat, 2007, p. 9 f.). Child stated in 1981 that those studies that derived convergence had conducted their research at the "macro level". This refers to the technologies and structures of companies. Studies examining the "micro-level" found that there is a divergence between companies. The behaviour of employees within companies was examined. (cf. Adler, 1991, p. 57)

Globalization is creating a multiple embedding of institutions. Two different levels can be differentiated: the "MNC level" and the "subsidiary level". At the MNC level, companies often interact with actors operating in a different local environment. The development of strategies is necessary in order to make the most of the differences between the various actors. There is also a multiple embedding at the subsidiary level. This means that subsidiaries are embedded both in the local environment (external) and

in the corporate network (internal). The reason for this is the ability of the subsidiaries to react quickly in the respective localities. The internal embedding is especially important for the access of the parent company. (cf. Meyer et. al., 2011) Overall, adequate embedding of both dimensions is important, both internally and externally. Institutions must therefore adapt to the various requirements, as they face major challenges, especially when expanding across national borders.

2.2 Challenges of institutions

As globalisation progresses, the use of communication and transport has increased as companies have to organise their operational structures and processes over greater distances. The transnational presence of companies and their products has meant that they have to compete in a larger or global market, and thus in greater convergence. For the customer, the cross-border expansion of companies means that they have a wider range of products and services to offer. To meet these demands, companies are under increasing pressure to develop and market new and innovative services. There is some talk of convergence because the separation between the goods produced and the services offered cannot be clearly established. (cf. Peterson Institute for International Economics, 2019) In addition, reference can be made here to the isomorphism, which also represents a challenge and is dealt with in the next section (cf. Section 2.3).

Due to faster, simpler and cheaper communication, knowledge can be transmitted more quickly. Flexibility and the almost unlimited flow of information and exchange of ideas have increased significantly in recent decades, so that this has led, among other things, to companies being able to more easily imitate and improve the goods and methods of their competitors (cf. *ibid.*, 1999, p. 50). These developments show how important it is for companies to protect critical and competition-relevant knowledge. Here, measures are important so that companies can make maximum use of innovative advantages as, for example, "first movers" on the market. The prerequisite for this is the development of unique capabilities in order to generate a sustainable competitive advantage. (cf. Meyer et al., 2011)

Another challenge faced by MNCs is the complex coordination of knowledge generation, knowledge transfer and the associated higher costs between headquarters and locally distributed subsidiaries. The introduction of organisational routines, i.e. adapting to new

structures, is aimed at increasing efficiency. However, the challenge here is to determine the degree of adaptation to local conditions, which is related to the multiple embedding of MNCs. Three environmental perspectives can be distinguished. The first corresponds to the country of origin, i.e. the headquarters of the company from which companies are formed. The second perspective is the local environment in which companies are located in the target country, i.e. in whose markets they operate. Here the strategies are adapted to the environment. There may be a restriction in access to resources in the local environment and institutionally in relation to the country of origin. The last environment is the interaction of MNCs in different locations with each other and how they relate to each other. Here the distance of the countries plays a role. A distinction is made between psychological, cultural and institutional distances. (cf. Meyer et al., 2011) The greatest challenge for corporate management lies in the different country profiles and cultures. There are differences in social norms and shared cognitive patterns. The cultural differences are decisive. Country regulations and government policies in the individual regions also influence the institutions. (cf. Busenitz et al., 2000) Globalisation has thus shifted the focus of companies in another direction and created new difficulties in coordinating subsidiaries.

2.3 Isomorphism

Isomorphism is a process that forces a unit to adapt to other units that are subject to the same environmental conditions (cf. DiMaggio / Powell, 1983). A distinction can be made between external and internal or institutional isomorphism. External isomorphism means that the business units in the target country must adapt to their local environment. There is internal pressure to adapt within the company boundaries between parent companies and subsidiaries. The parent company is located in the country of origin. (cf. Davis / Desai / Francis, 2000) One possibility of adaptation can be the approach of standardizing the "best practices" of the parent company in all locations (cf. Rosenzweig / Singh, 1991).

In addition, three instruments of institutional, i.e. internal, isomorphism can be differentiated. There is "isomorphism through coercion", in which subsidiaries feel both formal and informal pressure. On the one hand, they are dependent on this pressure; on the other hand, they depend on the cultural expectations of society. Examples of this are the environmental requirements imposed by the government on companies or the annual

financial reports. The second instrument is "imitation" (isomorphism through mimetic processes). This is mainly driven by uncertainties. Uncertainties arise when technologies are not properly understood, when goals are ambiguous, or when the environment appears uncertain. In this situation, the subsidiaries begin to resemble the parent company. In "isomorphism through normative pressure", the change in units is caused by the professionalisation of occupations. Certain methods are introduced by the employees. The isomorphism allows an increasing homogeneity of the companies to be observed and justified. (cf. DiMaggio / Powell, 1983) In the MNCs, a certain degree of equality can be observed in the subsidiaries with regard to methods and the local environment compared to the parent company (cf. Björkman et al., 2007). Larger MNCs consist of large numbers of subsidiaries that are characterised by multiple embeddings, as explained in Section 2.1 above. Here, a balance must be struck between the interests of the head office and the local environment. (cf. DiMaggio / Powell, 1983) This illustrates why many scientists speak of increasing convergence. In this paper, however, there is a stronger focus on external isomorphism, as the cultural differences are most evident there.

Chapter 3 - Knowledge and knowledge transfer

In this chapter, the different dimensions of knowledge are presented in order to gain a better understanding of how knowledge transfer challenges can arise. The process of knowledge transfer is then described and its forms explained. This is only intended to give a brief overview of the possibilities for knowledge transfer. Then the process of communication is described, which forms the basis of this work. The importance of learning and experience is discussed, because both aspects play an essential role for the success of knowledge transfer. Finally, a description of the challenges of knowledge transfer can be found at the end of this chapter.

3.1 Knowledge dimensions

Knowledge can be defined in different ways. On the one hand, knowledge is understood to mean the connection of information, which provides an owner or carrier with the opportunity to carry out actions. (cf. Nonaka 2007, p. 169) Information is a content that is transmitted. This has an impact on the recipient's view because the recipient attaches a certain importance to the data. (cf. Davenport / Prusak, 1998, p. 3) The recipient links the information with experiences and expectations so that it can be used effectively (cf. Davenport / Prusak, 1998, p. 7). On the other hand, knowledge can be expressed symbolically, whereby important things can be described, e.g. with the help of language and images (cf. Nonaka, 2007, p. 164). In addition, it can be understood as the information stock that can be useful in special situations to cope with problems or tasks (cf. Schmidt, 2012 p. 38). Information and knowledge are closely linked. In 2001, Alavi and Leidner explained the connection as follows: "[...] knowledge is information possessed in the mind of individuals [...]." (Alavi / Leidner, 2001). Knowledge arises through the completion of a learning process (cf. Argote, 2013, p. 48).

The employees of a company are viewed as knowledge carriers and use their knowledge to develop new ideas and be creative. This illustrates the close relationship between people, especially with regard to their knowledge. (cf. Nonaka, 2007, p. 168) Knowledge can be differentiated into "explicit" and "implicit" knowledge on the basis of various dimensions. Explicit knowledge can be formulated using words and numbers. Passing on knowledge is done using formulas, data or methods, among other things. Implicit knowledge can be understood as we know more than we know how to explain to an individual. Implicit knowledge is personal and difficult to represent formally. It is linked

to actions and exists in "silence", so communicate this kind of knowledge is difficult or even partially impossible (Tacit Knowledge). It includes people's experiences and ideas. (cf. Nonaka / von Krogh, 2009, p. 636) This type of knowledge can be subdivided into "technical" and "cognitive" components. A large proportion of implicit knowledge is represented by the "technical" aspect, which describes know-how acquired through experience. Such skills are difficult to transfer between individuals. (cf. Sveiby, 1996) "Mental models" and ideas are to be assigned to the cognitive dimension, i.e. how the environment is seen (cf. Nonaka, 2007, p. 165).

In addition, knowledge can be divided into "procedural" and "declarative" knowledge. Strategies or processes can be assigned to procedural knowledge. It can be equated with "know-how" and can be found, for example, in product development. Procedural knowledge belongs rather to implicit knowledge. (cf. Gupta / Govindarajan, 2000) Declarative knowledge is called factual knowledge, contains knowledge about reality and comprises data. It is also referred to as "know-what" and can be assigned to explicit knowledge. (cf. Gupta / Govindarajan, 2000, p. 483; Sternberg / Wagner / Williams / Horvath, 1995, p. 916) Monthly financial reports are an example of declarative knowledge. It is more flexible than implicit knowledge because it can be adapted to changing problems without great effort. (cf. Davenport / Prusak 1998, p. 84-85) The differentiation between "individual" and "collective" knowledge is important for the organization (cf. Nonaka, 2007, p. 164). The emergence of individual knowledge takes place in every human being and exists within. The collective knowledge emerges from common actions of a group. It includes opinions that contain symbolic, cognitive and cultural components as well as routines, rituals and behaviour. (cf. Spender, 1996) For companies, both collective and individual knowledge are decisive, since both together represent organizational knowledge. The change in organisational knowledge is called "organisational learning". (cf. Nonaka, 2007, p. 164)

Each individual has the possibility to convert data into knowledge and to use it sensibly for companies. For a successful business the collective knowledge is needed. Only when the creation of collective knowledge is significant for the company, the work of each individual employee is considered important. (cf. Nonaka, 2007, p. 164) Employees who create intangible assets, i.e. important knowledge for companies, are referred to as "knowledge workers" (cf. Harrigan / Dalmia, 1991). The change of employees, who represent a "knowledge worker" for the company, can lead to the company suffering an

enormous loss of collective knowledge and this has effects on the operative business. The advantage of collective knowledge is that it is difficult for competitors to analyse and therefore difficult to imitate. (cf. Davenport / Prusak, 1998, p. 55) These difficulties result from the high ambiguity of this knowledge. Therefore, the creation of this knowledge takes a lot of time and has a high value for companies. (cf. Dierickx / Cool, 1989)

In summary, explicit knowledge can easily be put into words, implicit knowledge not. Explicit knowledge is to be assigned to declarative knowledge. Implicit knowledge belongs to procedural knowledge. Collective knowledge is important in companies because it drives the common learning process.

3.2 Knowledge transfer

Here it will be shown which factors favour a transfer of knowledge, as they also represent a disadvantage and can be one of the challenges in knowledge transfer. A short overview of the forms of knowledge transfer will be presented. In addition, the role of learning and experience in knowledge transfer will be shown.

In 1996, Szulanski described a transfer as the individual experience of the movement of knowledge within an organisation that depends on the characteristics of employees. Davenport and Prusak defined knowledge transfer in 1998 as a two-part exchange of organisational knowledge between owning and receiving units. This illustrates the character of interaction in which not only knowledge but also ideas and opinions are exchanged (cf. Gupta / Govindarajan, 1994). Knowledge transfer basically consists of the "transmission" and "reception" of knowledge (cf. Davenport / Prusak, 1998, p. 101). Knowledge transfer can also take place via products and services (cf. Foss / Pedersen 2002).

Knowledge transfer is positively influenced by frequent "personnel rotation", "information redundancy" and "necessary diversity" in relation to the structure of an organisation. In a personnel rotation, employees should pass through several departments so that the existing routines can be broken through and the existing knowledge base can be increased. In addition, new skills are acquired and experience gained. The transfer of implicit knowledge is supported by information redundancies that arise. Redundancies also support the communication. The employees develop a uniform cognitive basis so

that implicit knowledge can be transferred. However, explicit knowledge can also be transferred in this way. (cf. Nonaka, 2007, p. 168-169) The diversity is necessary as well, which means that organisations should be as diverse as their environment so the demands of the environment will be balanced. Here, we can find also the possibility of establishing communication between the environment and the organisation. (cf. Nonaka 2007, p. 171) The decisive factor here is that employees have access to this wide variety of information and can expand their knowledge by using it. This is helpful in carrying out appropriate actions in the event of various difficulties and developments in the environment. However, redundancy and diversity must also be viewed critically, because this can negatively influence the overview of knowledge by, for example, not correctly recognizing the importance of knowledge. (cf. Nonaka 2007, p. 169)

Knowledge can then be successfully transferred if the strategic business units (e.g. the subsidiary) have a certain independence from the parent company, because autonomous development makes it possible to exchange and apply knowledge in this way (cf. Nonaka et al., 1997, p. 105).

With a global point of view to knowledge transfer, a distinction must be made between "direct" and "indirect" transfer. Direct or internal knowledge transfer is the transfer of knowledge within a company (cf. Argote / Ingram, 2000 p. 150). This transfer can be carried out by means of communication or technology (cf. Argote / Ingram 2000, p. 158). They function as instruments of knowledge transfer and are referred to as "technologically-based" (TCM) and "personal coordination mechanisms" (PCM). TCM serve as a basis for employees because it enables them to encrypt, store and access their knowledge. The PCM are dependent on interactions between people. (cf. Ambos / Ambos, 2009) In 1996, however, Sveiby point out direct knowledge transfer as personal interaction. He referred to Polanyi's statements regarding implicit knowledge. This saw knowledge as something personal that develops through a social environment. It is also emphasized that knowledge as property cannot be attributed to a company. Here it can be seen that Sveiby has observed too closely to Polanyi's assertions, since collective knowledge is thus excluded, but is becoming increasingly important. One advantage of direct knowledge transfer is its high speed (see Mansfield / Romeo, 1980). Knowledge can be transferred better internally than externally, since the problems of understanding are greater with external transfers (cf. Gupta / Govindarajan, 1994).

In the case of indirect or external knowledge transfer, knowledge is transferred outside of a company. External partners such as consultants, for example, are involved. (cf. Davenport / Prusak, 1999 p. 8) This type of transfer is used less frequently than the direct type, as companies fear that their knowledge could be transferred to competitors. However, this can also happen without this form of knowledge transfer, e.g. through imitation and personnel rotation. (cf. Bresman / Birkinshaw / Nobel, 1999)

Furthermore, learning contributes to the transfer of knowledge. A learning process takes place when employees develop their skills through activities or observing their colleagues at work. This process is greater when employees not only perform their daily tasks, but also dedicate themselves to new ones. It can be divided into "individual" and "collective" learning. Collective learning or group learning is understood to mean conscious learning. Communication is crucial in order to share the existing knowledge with the group members. Each member goes through a learning process in which new knowledge is generated and absorbed. (cf. Agrote / Ingram, 2000, p. 154)

In summary, it can be said that the intention of knowledge transfer is to generate new knowledge and make it transferable. Due to the knowledge diversity the innovation is increasing because every employee is has more opportunities to establish new links (cf. Cohen / Levinthal, 1990). Organizations are very important for the storage and transfer of knowledge. Communication will be discussed in more detail in the following, as it represents the most important form of knowledge transfer and is indispensable in this context.

3.3 Communication

This section aims to clarify how communication can be structured and how a communication model is structured. Communication will be discussed in more detail, because it seems likely that cultural differences are more likely to emerge in this medium of knowledge transfer.

Communication can be represented as a conversation between people. In the process, information is passed on (cf. Lunenburg, 2010, p. 1). The perception and interpretation of the interlocutor's behaviour takes place during communication (cf. Adler, 1991, p. 64). Communication can take place either directly, i.e. personally or indirectly through a

medium that can be verbal or non-verbal (cf. Lunenburg, 2010, p. 1). Direct communication can also be described as "face-to-face" and is now carried out through video conferences, e-mail or telephone. However, the use of technologies in meetings to communicate is still not common in every part of the world, even being considerable technologically advance, i.e. Japan. (cf. Davenport / Prusak, 1998, p. 92).

It can also be divided into "verbal" and "non-verbal" communication. In verbal communication, messages are transmitted by language, in non-verbal communication by body language. (cf. Lunenburg, 2010, p. 1) Communication is existential for companies because it promotes coordination, creativity and innovation for new knowledge (cf. Dinakar, 2009, p. 5). Modern technologies enable successful and rapid communication regardless of location (cf. Rogers, 1986, p. 5).

A communication model consists of a message, a transmitter, a receiver and a channel. The transfer of a message takes place via a channel. By means of a "decryption model" at the receiver, the transferred message is assigned a meaning by interpretation. (cf. Krone / Jablin / Putnam, 1987, p. 21) The sender forwards knowledge to a receiver. This process is called "transmission". The transmission of knowledge can take place in an interactive and communicative form. The decision on the selection of a suitable medium for the transfer of implicit and explicit knowledge is made. The implicit knowledge can be imparted more easily by means of personal interactions at meetings and project groups, for example. This should make it clear that it is important to decide for which form of knowledge which means of transport should be used. (cf. Davenport / Prusak, 1998, p.101) The reason for this is that the instruments vary in dealing with ambiguity, the need for interpretation and the transfer of knowledge (cf. Daft / Lengel, 1986). The recipient absorbs the transferred knowledge in the admission phase. This is a two-stage model. Knowledge transfer only takes place if knowledge is absorbed by the recipient. (cf. Davenport / Prusak, 1998, p. 88)

The sent and received message is not immediately understood by the sender and receiver, because a message is influenced by behavior and feelings. These are subjective and are therefore perceived differently by both parties. (cf. Adler, 1991, p. 64) In this context, the relationship between the participants in the conversation also plays an important role, since this influences how a message is received. Culture has a major influence on non-verbal communication. (cf. Lunenburg, 2010, p. 6). How a message is ultimately understood therefore depends particularly on the cultural background (cf. Adler, 1991, p.

65). In addition, a message can be transmitted both consciously and unconsciously. If the sender and receiver have the same experience and the same interest, communication can take place without problems (cf. Davenport / Prusak, 1998, p. 66).

Companies can both function as storage places for knowledge and bring a certain "dynamic" into the process of learning between individuals and within a company (cf. *ibid.*, 1998, p. 103). Learning from other business units is based on the experiences they have gained over time (cf. Argote, 2013, p. 6). This means that new knowledge can be acquired through learning from experience or with the help of books (cf. Davenport / Prusak, 1998, p. 6). Through the transfer of knowledge and the joint use of resources between the strategic business units, companies can achieve synergies. (cf. Tsai, 2001).

Experience is essential for the generation of knowledge. Experience is the performance of activities or the normal occurrence of events in the past. Experience plays a decisive role in knowledge transfer. (cf. Davenport / Prusak, 1998, p. 7) Permanent learning results from experience and is learned through trial and error. This illustrates how closely learning and experience are linked. In order for individual knowledge to be used, experience must be distributed. It is important to do this in a targeted way. For this, however, it must be known beforehand who or where and at what time knowledge is needed. (cf. Davenport / Prusak, 1998, p. 8) This section now makes it clear that learning and experience contribute to knowledge transfer. They can also be seen as a communicative channels

3.4 Challenges of knowledge transfer

Companies are increasingly confronted with some challenges in knowledge transfer, which are explained below. The main challenge is to choose an appropriate transfer medium and to examine what dimension of knowledge is involved. At the beginning of knowledge transfer, a lack of trust in the sender can be a challenge (cf. Nonaka / von Krogh, 2009). On the other hand, knowledge transfer can become difficult because the motivation on the part of the sender and/or receiver is too low, i.e. the willingness of the employees to share their knowledge is lacking (cf. Davenport / Prusak, 1998, p. 163). This can be described as a leadership problem. This is understood to mean the recipient's defensive behaviour, because he sees his own knowledge replaced by another knowledge and thus loses value in his previous knowledge. (cf. Buttolph, 1992, p. 464)

A further problem is limited absorption capacity. The ability to use the existing knowledge serves to gain insight into the extent to which the new information is valuable. Whether or not it is worthwhile to absorb and apply, this is called as absorption capacity. This means that this knowledge builds on the existing. (cf. Cohen / Levinthal, 1990) This term includes in particular knowledge of how implicit knowledge should be used (cf. Mowery / Oxley, 1995). The absorption capacity of the unit received decisively limits the internal transfer of knowledge (cf. Gupta / Govindarajan, 2000). It consists of the four dimensions: Procurement, admission, transformation and utilization. The first two dimensions represent the "potential capacity" and the last two the "realised capacity". (cf. Zahra / George, 2002) The absorption capacity is small, if it concerns an environment-specific knowledge, which cannot be used by other units (cf. Foss / Pedersen, 2002).

The knowledge of employees is passed on through communication processes (cf. Argote / Ingram, 2000, p. 151). This can lead to different challenges. The type of communication or the channel used could pose problems in the transfer of information. The sender and the receiver could, for example, each speak different languages or have a different level of training. This can be summarized as a term of the communication problem. This kind of conditions can contribute to the failure of the company. (cf. Szulanski, 2000, p. 14) Communication can also be influenced by the number of hierarchy levels. Another problem is the availability of knowledge or access to knowledge (cf. Davenport / Prusak, 1998, p. 177).

A further challenge lies in the employees' dependency of routines that represent a repetitive execution of tasks. A problem for many companies is the lack of an overview of internal and external knowledge. The result is the occurrence of duplication and possibly useless knowledge, which could lead to unprofitable decisions. (cf. Argote / Ingram, 2000, p. 163) Organizational culture can also pose a problem in the transfer of knowledge. Implementing a Japanese method of transferring knowledge on American companies, would be not acceptable, for exemple. (cf. Davenport / Prusak, 1998, p. 92). It is easier to communicate and transfer knowledge with a person who share the same culture. This knowledge stay longer because it would be associated with someone who has common interests (cf. Davenport / Prusak, 1998, p. 100). The country-specific cultural differences of the discussion participants also influence the transfer of knowledge (cf. Adler, 1991, p. 66).

Knowledge transfer in the national environment has so far been considered in order to make it clear that knowledge transfer is not only impaired in cross-border enterprises. However, some factors are strengthened internationally, which will be considered in the next section.

Chapter 4 - Knowledge in an international environment

In the following, the knowledge of internationally active companies, i.e. MNCs or MNEs, will be examined. MNCs are described as an "institution of knowledge integration" or "social community" (cf. Ambos / Ambos / Schlegelmilch, 2006). Knowledge can be easily distributed in MNCs, thus enabling the use of knowledge in subsidiaries and contributing significantly to the generation of competitive advantages (cf. Foss / Pedersen, 2002). These processes can thus be described as internal knowledge transfer and knowledge generation (cf. Minbaeva / Pedersen / Björkman / Fey / Jeong, 2003). In this section, the importance and function of knowledge transfer in internationally active companies will be clarified. Subsequently, the challenges and how to cope with them will be shown.

4.1 International knowledge transfer

Subsidiaries are network actors (cf. Ambos et al., 2006). Their task is to develop new knowledge and distribute it. The aim is to make a contribution to the MNC. The role of the subsidiaries in the network can be divided into the so-called "Integrated Players", "Global Innovators", "Implementors" and "Local Innovators". (cf. Gupta / Govindarajan, 1991, 1994) Knowledge with high value is to be found among the integrated players. For this reason, knowledge flows from them to the parent company. The other subsidiaries can profit from his knowledge and use it. However, the integrated players cannot satisfy their need for knowledge themselves. Similarly, Global Innovators also provide knowledge to the other units of an MNC as they participate in knowledge creation and transfer. They can also satisfy their need for knowledge themselves. Implementors, on the other hand, should integrate cooperative strategies. They generate very little knowledge and are more dependent on knowledge transfer from the parent company or other subsidiaries. Local innovators generate "local knowledge", i.e. knowledge that specialises in their region. This knowledge is not useful for the other units outside this location. (cf. Gupta / Govindarajan, 1991)

A transfer can be differentiated between a so-called "forward transfer", "lateral transfer" and "backward transfer". Forward transfer is the transfer of knowledge from the parent company to the subsidiary. Conversely, a backward transfer means that knowledge flows from the subsidiary to the parent company. In a lateral transfer, the subsidiaries exchange knowledge with each other. It should be noted critically in this context that a transfer of

knowledge does not always imply a beneficial effect for the recipient. If a recipient receives a lot of knowledge, it does not mean that he can transfer and implement the knowledge into his strategic and operational business with the aim of improving it. In contrast, it is also possible for other units with significantly lower knowledge inflows to benefit more, as they receive exactly the knowledge they need to succeed in their business. It is therefore not the quantity but the quality of the knowledge that counts. The backward transfer has several advantages for the parent company. On the one hand, the adaptation and coordination of the global strategy can be carried out with the help of the local knowledge that emerges from the individual functional areas. On the other hand, there is the possibility of improving the own processes as well as those of the subsidiaries. The head office can play a supporting role in product development. However, it does not absorb all knowledge from its subsidiaries, but evaluates it according to certain criteria. It could be that valuable knowledge is not absorbed because the subsidiary does not fulfill the criteria that have to be fulfilled. (cf. Ambos et al., 2006)

Now we will explain why MNCs are useful for knowledge transfer. One reason is the simplified dissemination of knowledge in an efficient and effective way within this environment. The external transfer of knowledge via the market is inefficient because, on the one hand, the implicit knowledge of the companies is not transferred and, on the other hand, there are fears that the transfer will lead to involuntary expropriation or that the danger of creating new competitors is too great. MNCs are therefore predominantly used for internal knowledge transfer. (cf. Gupta / Govindarajan, 2000)

Structural links make it possible to coordinate the various units in MNCs and contribute to knowledge transfer within the MNCs (cf. Gupta / Govindarajan, 2000; Hansen, 2002). This transfer is facilitated if the subsidiaries cooperate with the parent company and also with other subsidiaries, so that a certain "social basis" is established. It offers all participants the opportunity to transfer knowledge and support their processes. (cf. Feinberg / Gupta, 2004; Dyer / Nobeoka, 2000) Direct communication between the subsidiaries is therefore becoming increasingly important (cf. Gupta / Govindarajan, 2000; Hedlund, 1994; Martinez / Jarillo, 1989).

Subsidiaries are very important for companies because they offer many advantages in generating and transferring knowledge. However, there may be difficulties, especially in knowledge transfer, which will be examined below.

4.2 Challenges of international knowledge transfer

The challenges that exist in the national environment are also present in the international context. However, some aspects take on a larger scale in the context of internationally active companies, the MNCs, which are examined in this section.

When expanding knowledge in an international environment, cultural and political obstacles may impede the full acquisition and acceptance of the acquired knowledge (cf. Teece, 1976, p. 23). Knowledge transfer cannot always proceed smoothly because there are types of knowledge that are difficult to transfer and thus cannot be transformed into a message (cf. Szulanski, 1996; von Hippel, 1994). This includes implicit knowledge as well as the "causal ambiguity" of knowledge (cf. Zander / Kogut, 1995; Lippman / Rumelt, 1982). A possible explanation for the difficult transfer is, on the one hand, motivation and limited absorption capacity (cf. Szulanski, 1996). On the other hand, access to knowledge can be hampered by limited receptivity (cf. Tsai, 2001). Another reason may be the geographical distribution of the units, which makes it more difficult to find the necessary information and have access to it (cf. Davenport / Prusak, 1999, p. 53). In addition, the distance between business units plays an important role in the international environment. This distance can be subdivided into "spatial distribution" and "context-related differentiation". The former is understood to mean the spatial separation of transmitter and receiver. Contextual differentiation refers to culture, language and occupation. (cf. Doz / Santos, 1997)

Especially due to the greater distances, business units are increasingly dependent on modern information and communication technologies. These make it possible to establish contact and thus interact across spatial and temporal distances. (cf. Thompson, 1995, p. 22) Whether a knowledge transfer is successful depends, among other things, on the transfer instruments. If the spatial and context-related distance changes, this affects PCM and TCM. (cf. Ambos / Ambos, 2009) The performance of the MNC can be increased by developing the knowledge or other resources of units located in remote locations. The reason for this is that distance is closely related to knowledge, creativity and innovation. (cf. Morosini / Shane / Singh, 1998) However, the distribution of subsidiaries in several countries can make coordination and knowledge transfer through PCM more difficult (cf. Hansen / Lovas, 2004; Zaheer, 1995). This distance has only a small influence on TCM.

The reason for this is that the location makes no difference when sending e-mails, for example. In the case of units located far apart, knowledge transfer can also be made more difficult by different time zones and long transmission channels. (cf. Daft / Lengel, 1986).

It should be emphasised here that knowledge is not always available at the desired time, especially in geographically distant and different time zones (cf. Davenport / Prusak, 1999, p. 17).

Another challenge is that greater distances lead to higher costs for travel or the transport of facilities or equipment, if this is necessary. Communication costs can also rise, e.g. through the translation of documents. This fact has to be taken into account and is very important, especially for technical drawings. (cf. Teece, 1976, p. 23)

Cultural distance plays a decisive role, especially in the international arena. This influences technical as well as personnel instruments. If employees of a company are based in several countries, cultural differences, such as customs and traditions, religion or language, can lead to misunderstandings and make it difficult to find a common solution to a problem. (cf. Ambos / Ambos, 2009) If cultural distance is small, PCM is more likely to be used. On the other hand, if there are major differences, more should be invested in TCM. Therefore, when adapting transfer media, the distance between the sender and receiver should be taken into account in order to achieve the most successful transfer possible. (cf. Ambos / Ambos, 2009)

The reasons for a lack of confidence are mainly to be found in acquisition activities. A major restructuring of the corporate structure and the filling of jobs by new employees can impair the working atmosphere. This can be seen negatively by the employees of the acquired company so that they leave the company. (cf. Davenport / Prusak, 1998, p. 55, 56, 81) Particularly in the case of international acquisitions, it is more difficult to build up the trust of employees because the cultural differences between the country of origin and the country of destination play a major role here. In addition, the transfer of knowledge can be made more difficult by the hierarchy (cf. *ibid.*, 1998, p. 177).

In summary, it can be said that obstacles such as a lack of trust, communication and cultural differences are much greater in the international arena than in the national arena. The main reason for this is the distance between the parent company and its subsidiaries.

4.3 Overcoming the challenges studied

There may be several possible solutions for overcoming the challenges, but only the most important problems will be focused on below.

Since the absorption capacity of knowledge in a company depends on collective learning, it is recommended to invest in training and further education, as this allows employees to expand their knowledge and skills. Employee motivation and ability have a crucial impact on knowledge transfer. In order to develop skills, managers should provide training and performance assessments to their employees. Motivation can be increased through performance-based compensation and internal communication. (cf. Minbaeva et al., 2003) The organisational structure and exercises also influence absorption capacity and learning between organisational units, i.e. the interaction between the teaching and learning organisation (cf. Lane / Lubatkin, 1998). Employees should be given the opportunity to absorb knowledge flexibly and to promote their creativity (cf. Lyles / Salk, 1996). The main reason for a lack of motivation can be bad experiences with passing on knowledge. The experience can be accompanied by the fear of not having created any value for the company after the completion of a knowledge transfer. Furthermore, a bad experience can be explained by a reduction of staff in the company. (cf. Davenport / Prusak, 1998, p. 158) The transfer is facilitated only by the improvement of motivation and the combination of skills of the employees. Participation in training courses is also recommended. (cf. Minbaeva et al., 2003)

Difficult access to knowledge can be implicit knowledge that depends from individual to individual (cf. Nonaka, 1994 p. 16). With the help of interactions and observations, access to implicit knowledge can be made possible. Argote stated in 2013 that companies try to keep the transfer of knowledge to other competitors as low as possible. However, they want to support this transfer within their units. (cf. Argote, 2013, p. 147) The ranking of the sender can have an influence here, since the use of necessary knowledge is not perceived by the recipient. For example, the knowledge of a younger employee is not perceived because it is assumed that he has little experience. For this reason, necessary knowledge may not be perceived. (cf. Davenport / Prusak, 1998, p. 100) Ignorance about the location of the required knowledge in the company can arise through growth and thus the increasing complexity of the company (cf. Davenport / Prusak, 1998, p. 142). A remedy could be the use of the intranet, in which employees are listed with their specialist

area. Furthermore, it can happen that the transfer of individual knowledge into collective knowledge does not include the complete knowledge (cf. Inkpen / Crossan, 1995).

In communication, scepticism or arrogance between the sender and receiver can also lead to poor communication (cf. Davenport / Prusak, 1998, p. 111). This can be reduced, for example, with the help of information or getting to know the other person. In addition, it may be that the formalization of knowledge is too difficult and cannot be plausibly communicated to the recipient (cf. Davenport / Prusak, 1998, p. 113). Personal conversations can also help here. In contrast, non-verbal communication has the advantage that implicit knowledge can be transmitted (cf. Davenport / Prusak, 1998, p. 35).

The choice of the communication channel can influence the interpretation of the message. A personal transmission of a message is perceived and interpreted differently than a message left on the voice mail or an written e-mail. The way of expression varies depending on the transmission medium. (cf. Lunenburg, 2010, p. 1). The development of a uniform language leads to understanding and also facilitates the building of trust. This refers to the national and technical language. (cf. Davenport / Prusak, 1998, p. 61) However, it must be noted that a common language does not reduce all misunderstandings because behaviour is influenced by cultural rules and customs. This is illustrated, for example, by the recipient's questioning as to whether the message was understood. (cf. Hinner, 2017, p.885)

Misunderstandings and misinterpretations can occur in the case of remote company headquarters and major cultural differences (cf. Davenport / Prusak, 1998, p. 59). Modern technologies enable employees to exchange their knowledge more quickly and independently of their location, e.g. in forums on the Internet or Intranet. It can also be useful to invite people to hold discussions (cf. Davenport / Prusak, 1998, p. 18).

In 1996 Szulanski divided the problems into motivational and knowledge-based. The former includes a lack of trust, incentives and the employee's defensive attitude. The second includes aspects such as lack of absorption capacity, causal ambiguity and difficult relationships. He saw the crucial problem of an unsuccessful knowledge transfer in the knowledge-based challenges. For this reason, a certain learning ability of the subsidiaries should be developed. The relationships between the subsidiaries should be supported. The understanding and communicability of the activities should be ordered. A change of workplace can help to increase motivation by giving managers the opportunity to give

their employees new experiences and thus facilitate and promote the transfer of knowledge. (cf. Davenport / Prusak, 1998, p. 158)

Scepticism and arrogance could be caused by cultural differences. Narrow-mindedness can be a problem in this context, as one's own lifestyle and attitude is seen as the right one or it is not noticed that there are others. (cf. Adler, 1991, p. 11) In order to eliminate the lack of trust, the focus must be on the relationship between the two participants. The recipient should regard the transfer of knowledge as an extension of his experience and not as a loss of value of his person for the company. Analogously this is to be transferred to the transmitter. (cf. Davenport / Prusak, 1998, p.34 - 35) Trust can be built up and supported by the support of management, which is responsible for creating credibility (cf. Davenport / Prusak, 1998, p. 35).

With the experience about the target country a simplification of the knowledge transfer can be achieved. When allocating resources, it can be advantageous to have knowledge about the willingness of foreign personnel to learn and their skills. There is also a need to address the political, social, cultural and economic differences between the country of origin and the country of destination. It is also clear that all the challenges are closely linked, especially the causes of them. For this reason, they cannot be considered in isolation, since one can lead to the other.

Chapter 5 - Influence of culture on knowledge transfer

Due to internationalization, companies are increasingly confronted with cultural distance. In addition, the term internationalization is associated with an increase in the risk of confrontation with different cultures. The risk increases especially at the beginning of a foreign business relationship, because one's own ideas do not necessarily correspond to those of the partner. The environment differs in social, political and economic aspects. (cf. Davenport / Prusak, 1998, p. 98)

In this section, the concept of culture is first discussed. For this purpose, the concept of culture according to Hofstede is defined and the question examined as to whether culture influences the transfer of knowledge. Section 5.2 shows the cultural challenges that can arise in knowledge transfer, especially in communication. Finally, recommendations for action are given on how these problems can be overcome.

5.1 Concept of culture

Hofstede defined culture as "the collective programming of the mind which distinguishes the members of one human group from another." (Hofstede, 1984, p. 21). Mental programmes include, for example, the language, faith, behaviour and spatial distance of people (cf. *ibid.*, 1984, p. 15). In order to identify cultural differences, Hofstede developed the "model of the four dimensions". The dimensions are "Power Distance", "Uncertainty Avoidance", "Individualism / Collectivism", "Masculinity / Femininity" and represent indices which are assigned to each individual country. (cf. Hofstede, 1984, p. 65 ff.) It should be noted that Hofstede's investigations are limited to one company only and are therefore not representative. Furthermore, the delimitation of the dimensions cannot always be clear, since the transitions between the individual dimensions are fluid.

Power Distance is an index (PDI) that indicates how important a hierarchical work structure is for enterprises in a given country. If the index is high, there is a very hierarchical work structure and the importance of this structure is high. The Uncertainty Avoidance Index (UAI) examines how a culture deals with uncertainty. Here, the influence of standards that are country-specific is decisive. This includes, among other things, a biased and intolerant attitude towards other groups or opinions. In the case of a high UAI, criteria such as stress and orientation to rules for the respective culture play an important role. (cf. *ibid.*, 1984, p. 107 ff.) Complex legal systems and well-structured work processes are introduced to avoid uncertainties (cf. *ibid.*, 1984, p. 143). The Individualism Index (IDV)

refers to the interests of each individual. A high IDV refers to an individualistic culture in which each individual places his or her own interests in the foreground. A low index refers to collectivist cultures for which the interest of society is more important. (cf. Hofstede, 1993, p. 66) If a clear distinction between the sexes can be observed in culture, it is described as masculine, i.e. the Masculinity Index (MAS) is high, since men tend to be more assertive than women. Low values are feminine cultures. In addition, material things and job satisfaction are very important for masculine countries (cf. *ibid.*, 1984, p. 196). Women, on the other hand, are rather seen as caring (cf. *ibid.*, 1984, p. 176). In feminine countries, the quality of life plays a greater role (cf. Nakata / Sivakumar, 1996).

A culture is very deeply rooted in man, so that it cannot be changed so easily. It consists of values, norms and attitudes and can therefore only be perceived objectively with difficulty if it cannot be expressed in activities. (cf. Lutz, 2007, p. 3) There is also a corporate culture in addition to the national culture. This includes the knowledge and ideas of the employees. (cf. Davenport / Prusak, 1998, p. 147) Hofstede stated in 1993 that the national culture is fundamental and contains invisible values, while the corporate culture arises from the socialisation of people. In addition, the change in the country's culture takes a lot of time, while the corporate culture can be consciously changed. However, this paper will not go into the culture of companies in more detail, as national cultures are much more influential for cooperation between parent companies and subsidiaries.

An interesting observation is that many managers are of the opinion that a common corporate culture can reduce the influence of the national culture. The reason for this thinking is the assumption that all employees of a company are similar, even if they come from other countries. However, this is a fallacy because employees will not give up their national culture. Therefore, national differences play an important role for employees and customers from abroad. Great cultural differences are observed especially among employees who work for a company from abroad. Particularly with MNCs, the desire of employees to maintain their own culture is greater. (cf. Adler, 1991, p. 58)

Different approaches to the management of companies from different cultures can be observed.

The perception of the culture is not immediately possible, but can be recognized through verbal and non-verbal communication and behaviour. (cf. Hofstede, 1993) Cultural stand-

ards become apparent when employees from different cultural backgrounds work together. They include "perception, thought and action", which are considered correct and commonplace, for people within the same culture. (cf. Davenport / Prusak, 1998, p. 61)

In summary, it can be said that national culture has a strong influence on a company (cf. Davenport / Prusak, 1998, p. 92-93). The effectiveness of knowledge transfer depends primarily on cultural differences (cf. Kedia / Bhagat, 1988).

5.2 Cultural Barriers to Knowledge Transfer (Intercultural Communication)

In this section, the cultural barriers and challenges of cultural differences in communication as a medium of knowledge transfer will be highlighted. In the literature, the term "intercultural communication" is used for this purpose. First, this term is explained and then the associated challenges are presented. Because the subsidiaries and parent companies are located in different countries and thus in different cultural circles, the transfer of knowledge is associated with a high degree of complexity. (cf. Schlegelmilch / Chini, 2003)

Intercultural communication is the meeting and conversation between people from different cultures (cf. Hinner, 2017, p. 885). The greater the divergence between the cultures of the participants, the more likely it is that miscommunication or misunderstanding will occur. This can be caused by perception, misinterpretation and the assessment of the interviewees. Especially when different cultures meet, the emergence of misunderstandings is greater. (cf. Adler, 1991, p. 66) If miscommunication occurs, the transfer of knowledge is not possible without problems. For this reason, it is important to shed more light on the causes of the misunderstanding.

One basis for the emergence of a misunderstanding is perception. It depends on the culture of each individual and is based on experience. Depending on the cultural background of a person, the perceived things are viewed in a certain way. For example, the perception of things is distorted or invented so that it corresponds to the recipient's ideas. (cf. *ibid.*, 1991, p. 68) The perception or ideas of the parent and subsidiary companies can be different. It is precisely because subsidiaries are founded outside the country of origin that differences in perception and in the broader sense of knowledge transfer are discernible. (cf. Andersson / Forsgren, 1996; Granovetter, 1985)

In addition to perception, interpretations can also contribute to the emergence of a misunderstanding because they evaluate perception. In the process, experiences are ordered, which then lead to the corresponding behaviour. An evaluation is made by forming an opinion about the things perceived. (cf. Adler, 1991, p. 70) This is accompanied by the interpretation of messages that are influenced by culture (cf. Gudykunst / Kim, 1992, p. 151). But a message can also be interpreted ambiguously, so that there can also be a wrong interpretation (cf. Szulanski, 1996).

Language poses a particular challenge. It makes it difficult to put knowledge into words, especially if it is implicit knowledge. The transformation into explicit knowledge is also a way of overcoming this barrier, but can be very time-consuming. It can also be very difficult to express explicit knowledge in an understandable way. This can lead to the sender's messages being misinterpreted by the recipient. Aspects such as pronunciation, grammar or social relationships can have a significant influence. (cf. Gass / Varonis, 1984 - quoted from Gudykunst / Kim, 1992, p. 230) The context of communication is very important and is also a barrier. This can lead to problems of understanding. A distinction can be made between "low-context" and "high-context" cultures. Countries with low-context need more information, countries with high-context fulfil work orders with less information. Here, for example, the Germans belong to the "low-context" culture and the French to the "high-context" culture.

This can lead to misunderstandings, especially with work instructions, because, for example, a French manager gives his German employees too little information about the distribution of tasks, the implementation of which does not correspond to the manager's ideas. On the other hand, French employees consider the information provided by the German manager to be superfluous. (cf. Hall / Hall, 1989, p. 22 ff.)

According to Wilpert in 1992, increasing cultural differences tend to lead to difficulties in communication. Davenport and Prusak also confirmed this in 1998. In their research, they observed that knowledge can be transferred between similar cultures without great effort. (cf. Davenport / Prusak, 1998, p. 100) Here, cultural distance can be recognized as an important influencing factor. The scientists Ambos and Ambos found out in 2009 that in cultures with high IDV, UAI and MAS values, knowledge transfer via PCM is successful at a low cultural distance. In countries with a high PDI, this could not be demon-

strated. This is confirmed by the results of Wilpert, Davenport and Prusak. The effectiveness of knowledge transfer via TCM also decreases with great cultural distance. (cf. Ambos / Ambos, 2009)

The choice of an appropriate communication channel is another challenge. In Japanese culture, for example, it can be observed that personal conversation is more important than the use of e-mails. This can be justified by the importance of trust. It plays an important role at the beginning of a business relationship for collectivist cultures. This is usually not considered important by individualistic cultures. Trust also plays a very important role in communication between different cultures, especially in collectivist cultures. For Japanese culture, it is important that the partners get to know each other personally at the beginning of a business relationship. This is to build up the trust that makes the business transaction possible in the first place. However, this is not important for German cultures. (cf. Davenport / Prusak, 1998, p. 92) A difficult relationship between the two discussion participants is also a challenge for knowledge transfer, since the relationship is closely linked to trust (cf. Szulanski, 1996). People in individualistic cultures have the idea that there is only one kind of value that applies to all cultures. The acceptance of different values of different groups, on the other hand, can be found in collectivist cultures. (cf. Adler, 1991, p. 47)

In summary, it can be said that communication is essentially influenced by culture. Cultural distance makes a decisive contribution to the success of knowledge transfer (cf. Schlegelmilch / Chini, 2003). Particularly in the case of major cultural differences between the parent company and the subsidiary, several challenges have to be overcome. The following section will explain how the challenges can be overcome.

5.3 Solutions for the intercultural challenges

A common language is necessary for successful communication. This is influenced by the culture. Certain behaviour and perception go hand in hand with this. They influence how communication takes place. (cf. Davenport / Prusak, 1998, p. 98) In high-context cultures "verbal behaviour" is increasingly to be found. In low-context cultures, the "thought process" and social interaction take place predominantly. (cf. Gudykunst / Kim, 1992, p. 170) For employees to be able to work well together, they must come to the realization that differences exist between people. In addition, the change of an ignorant

attitude should take place. This ignorance can arise from the point of view of the one's culture as the right one. Especially when this opinion is openly expressed, no contribution is made to a positive development of communication. If there is also a lack of interest, this can lead to an uncertain and anxious course of conversation and feelings.

As a result, the acceptance of other cultures takes place. (cf. Haneda, 1976, p. 29-31) Uncertainty and fear can lead to a misinterpretation. Uncertainty is influenced by perceiving similarities and fulfilling expectations of the other culture. The fear can result from a negative experience with the respective culture. (cf. Gudykunst / Kim, 1992, p. 112 f.) This also has an influence on the success of communication.

The level of the relationship between the participants also has a great influence on how communication takes place, because the dominance of a participant can emerge and the participant thus determines the course of the conversation as well as the context. In addition, it is important to get to know the customs of the other culture so that, for example, attention is paid to whether the addressing of problems is regarded as appropriate or rather inappropriate by the respective culture. Because without this knowledge a station can behave wrongly. A proposed solution to reduce ignorance is acceptance. This implies the acquisition of knowledge of cultural customs and typical non-verbal signals. (cf. Hinner, 2017, p. 895) Culture serves people as an orientation aid. It contributes to the feeling of security, so it might be difficult to change one's perception. (cf. Haneda, 1976, p. 29) Especially when employees are sent to other subsidiaries for a longer period of time, it is necessary to learn the national language. In addition to facilitating communication, this is also important for integration into the other culture. Through integration, trust with colleagues can also be built up quickly. It is also helpful for the success of the knowledge transfer to understand the cultural differences and the associated evaluation of "verbal behaviour". This allows patience to be exercised. By understanding other cultures, fear and bias can also be reduced, because the behaviour of the counterpart can be better assessed. (cf. Gudykunst / Kim, 1992, p. 171) Trust can also be built up and strengthened through joint activities of colleagues in their free time outside the office (cf. Davenport / Prusak, 1998, p. 34).

As was shown in Section 5.3, countries can clearly have different costumes from each other. It is therefore recommended to obtain information about the particular culture. It is particularly important to maintain patience in the event of unexpected behaviour on the part of the other. However, it is important to focus on the individual behaviour. Each

individual has a different personality that will not match with the exact culture. This factor should not give expectations, for example during a business meeting from a particular culture. Workshops and language courses can be helpful in acquiring knowledge about other cultures. Role plays and intercultural training also contribute to this (cf. Haneda, 1976, p. 29). The personal presence in the respective country also contributes to this.

The attitude of an employee towards a different culture and the relationship of employees from different cultural backgrounds contribute in particular to the success of a knowledge transfer. These barriers can be overcome by gaining positive experiences and help to pay more attention to non-verbal communication, which is particularly important for the success of a transfer. In the case of major cultural differences, more time must be invested in the search for the cause of the respective barrier and thus in learning the cultural peculiarities of his counterpart, so that perfect communication and thus the transfer of knowledge between parent companies and subsidiaries can take place.

Chapter 6 - Discussion

It can be stated that competitive advantages can be achieved through the internal distribution of knowledge. The subsidiaries play a decisive role here, as they are responsible for the distribution of knowledge. In the international arena, the transfer of knowledge is made considerably more difficult because of the distance aspect. In 1997, Doz and Santos divided this aspect into "spatial distribution", which means the dispersion of locations, and "context-related differentiation".

The latter combines language, culture and profession. Especially in the transfer of implicit knowledge, spatial distance can be a major problem despite the most modern technologies. But also, different time zones and long transmission channels make knowledge transfer more difficult (cf. Daft / Lengel, 1986).

With regard to the cultural aspect, the focus of the work was on the cultural dimensions of Hofstede in order to highlight the differences between the individual countries. It should be noted that the model concentrated on only one enterprise, so that no general statement can be made for other enterprises. The comparability of the data may be affected by the restriction to certain groups of respondents, which may distort the results and lead to misinterpretations. (cf. Hofstede, 1984, p. 167) The data of the results may no longer be accurate due to time with the older sources. Contrary to Hofstede's findings, as Kostova believe there can be other aspects that can influence an individual, not only the culture. Culture encompasses the most important characteristics of a country and can be regarded as a "uniform construct" (cf. Hofstede / Bond, 1988). Kostova described this approach as too simplified in 1997, because culture cannot explain the entire environment and the effects on the institutions. Economic and political aspects are also needed in order to be able to carry out an analysis of those aspects which cannot be taken into account in the cultural aspect. (cf. Kostova, 1997, p. 180)

In most studies only individual countries are considered, but the results are formulated as generally valid. For example, this is the case with Minbaeva et al. in 2003. This can lead to misinterpretation. However, since several scientists have come to similar conclusions, the risk of error is considered to be low. The work concentrates on the cultural, especially the interactive aspect of knowledge transfer. This could be extended by considering and investigating the cost aspect in this context.

Chapter 7 – Internship Report

The presentation and analysis of diverse number of concepts, theories and perspectives about the value of the knowledge transfer are helping to create my opinion and to draw a certain conclusion about this topic.

After studying a diverse number of concepts, theories and perspectives about the value of the knowledge transfer, I was able to build and draw a certain conclusion. The theoretical and conceptual background are important for this thesis because they are supporting the reader to build his own opinion.

The main objective of this chapter will be focused on the practical experience and cultural connections during my internships and appose together the theoretical aspect of this study with examples of knowledge transfer. This includes, the analyses of knowledge transfer barriers and the suggestion of different application tactics to avoid the loss of important knowledge in the business environment.

The main objective of this chapter is to show examples of knowledge transfer, while combining the theoretical aspects of this study with the practical experience in the professional as well as cultural environment. This includes, the identification and analyze of knowledge transfer barriers. Based on this, recommendations for different action/ guidance are derived, so the loss of important knowledge in the business environment can be avoided. The examples are demonstrating companies, that I was working for like Mercedes Benz, Porto Design Factory and Bettzeit.

In order to understand the impact of the knowledge inside of the company, we also need to understand the way how an individual is able to transfer knowledge and how this process can be influenced by different factors, including his environment. These factors are important for the development and success of any organization, because knowledge is considered a priceless source. Perhaps, some companies are not able to realize the significant relevance of the knowledge transfer. The success of the developed country is the investment in the infrastructure system. Thinking in the same pattern, I can say that companies should invest in “infrastructures” for the knowledge transfer. Therefore, from my perspective of view, companies should create equal opportunities for those you want to share knowledge and be aware that knowledge will not be kept as a secret or just be lost. Establishing an easier process to pass the knowledge from the older generation to the younger generation with less experience, will guaranty the development of new ideas and preserver the culture of the company.

7.1 Mercedes-Benz

Sociedade Comercial C. Santos is a Mercedes-Benz, smart, and AMG brand official and authorized dealer. This includes the commercialization of vehicles, mechanical and accessory vehicle parts and services. The headquarter is located in Maia, Portugal. Also, the company has two showrooms, in Boavista, Porto and Felgueiras, Porto, to demonstrate vehicles and promote the company. Sociedade Comercial C. Santos has 12 departments and 250 employees from different backgrounds.

During my studies in DUAL – Portuguese-German School, in Management Administration Technical Course, I had the chance to start an internship in one of German companies in partnership with DUAL, which was Sociedade Comercial C. Santos – Mercedes Benz, Through my experience, I understood that the German culture was not affecting the staff even with German service standards.



Figure 1 - Stand Sociedade Comercial C. Santos
Source: www.soccsantos.pt

The knowledge transfer is the result of experience, a simple message that is being transmitted from one person to another. This first case is related with professional knowledge transfer and how it can affect an individual.

Since the experience plays an important role in the knowledge transfer, I am going to share my experience with companies that I have worked for. Here the main goal is to show the process of professional knowledge transfer as well as how it can affect a company. Considering that all following conclusions should be looking cautious, because in general the perception of experience is very individual

In Sociedade Comercial C. Santos - Mercedes-Benz, I started my professional career as an intern in the administration fater-sales department. Throughout my internship in Mercedes Benz, I was creating and managing the client's process and generating the insurance company's invoices in the system. Moreover, I was responsible for the material stock, assisting the clients and organizing the archive. Due to the fact, that everything was new for me, it was crucial to accumulate the necessary knowledge to understand the basics of working professionally as fast as possible. The learning process included even how to learn and learn fast.

In the begging, one of the first professional advices that I received was just to: "be aware and to understand what is going on around me." The message of this advice from my point of view can be closely related with the knowledge transfer, because it represents the most part of how implicit knowledge can be transferred. The implicit knowledge is difficult to transfer, thus observing people in action would improve the transferring process.

From my experience, the knowledge transfer can occur during a problematic situation, for example dealing with stressful moments. It can happen when an individual receives a negative feedback from a superior. It happened to me and a diverse number of people around me. The only difference was the way how people were reacting to the criticism. Personally, these feedbacks were affecting me during the entire day: feeling negative, thinking about the consequences, feeling ashamed and sad, this is how my mind was working. I notice how this affects my concentration and my productivity. Fortunately, I never forget the first advice of being aware around me. As I mentioned before my colleagues had a different reaction for these stressful situations. Just observing the reactions of my colleagues, I understood that the key is to analyze these critics logically, not holding personal feelings and creating a process to not repeat any mistake again. From my perspective, this example showed that tactic knowledge is easier to transmit with real examples and can be achieved by experience of observation.

7.2 Porto Design Factory

Porto Design Factory is an entrepreneurial institution, considered as “laboratory of ideas”. It is from my point of view an interdisciplinary and innovation place, where students are learning by creating projects which the main objective is to solve daily-life problems. A bizarre learning process compared with the traditional and more theoretical institutions. These problems are presented as challenges by diverse companies. Porto Design Factory is located in Porto, Portugal and it has a unique environment and organized structure, with just a small number of departments and staff, it is capable to attract amazing students with great minds and strong and innovative companies to invest. This “laboratory of ideas” is integrated in the Design Factory Global Network, with headquarters in Helsinki, Finland and together is composed by 20 institutions around the world in different countries. Here I was doing an internship in the communication department, which I will mention more in details later. The internship in the Porto Design Factory helped me to understand better the value of the knowledge transfer and I will explain why.



Figure 2 - Porto Design Factory
Source: www.juonline.pt

As it was mentioned before the process of the knowledge transfer can be simply explained as a process of transmitting any kind of information from one individual to another or group and vice a versa. Around this process it is includes the environment. Due to these reasons, the success of the knowledge transfer depends on substantial number of factors such as: age, trust, motivation, cultural distance, academic level, language, dialect and complex verbal knowledge. Some of these factors naturally would cause an influence on those who are involved in this process. Some of these factors could become a serious barrier and affect the connection between the sender of the message and the receiver. In my mind, when I visualize the process of knowledge transfer, I think that the easier and effective process to transfer any information would be the scenario when a number of individuals are receiving the knowledge from one person at the same time and in the same shape. However, there is still a problem with this system: everyone is unique. People with the same culture have a different intellectual level, thus everyone should have a particular action to be equal and fair. Following the logic, my internship in Porto Design Factory served as a practical example to understand all the factors that can influence the transmission of the knowledge.

In particular, Porto Design Factory, where I was developing a project during my internship, was important to understand different perspectives of knowledge transfer. The main objective of the project consisted of elaborating a strategic plan to demonstrate and represent the Porto Design Factory in different Porto Polytechnic Institutes to all type of students, creating brand awareness and more value in the Porto Design Factory. The beginning of this project was already challenging. The reasons for that were the following: high diversity of Institutes and even higher diversity of students. This means that our team had to be creative and needed to adapt the speech during the interaction with students and answering the same questions using different ways.

During the presentations across many Institutes, I had the opportunity to understand better the process of the knowledge transfer. There, I faced a barrier: the lack of motivation to receive any information. Due to different academic areas between me and the students and the lack of trust it was way more difficult to transfer the knowledge. However, I understood that sharing my personal information would increase the trust and create a closer connection. This personal information could be a simple story about my personal life, but it was effective.

In the end, the project was considered successful due to the increasing number of students that had interest in the Porto Design Factory and wanted to join it. Afterwards, I could conclude that trust is an important and fundamental key to create motivation in the receptionist from my experience.

7.3 Bettzeit

This last case portrays a different experience related with international environment. This experience is important because it shows a different barrier in the knowledge transfer process. A company with the name Bettzeit is a recent German startup founded in 2013 with focused on tech-sleeping development. The headquarters is located in Frankfurt; however, this company operates around the world in 20 countries and speaks 56 languages inside of the company. Bettzeit it is a multicultural startup and has over 285 employees with different nationalities. The company is divided by 18 departments and organized by 3 main sections: The Business Development area where all country departments are included. The section of the Operations, Marketing, Design, IT and Human Resources departments are together and one floor down, we can find the Finance and Research and Development departments (all mattresses were teste in this floor). During my internship in Bettzeit, I was working in the Business Development Department with the focus on e-commerce, Portuguese market. I was working on projects like the company's website, the newsletter project, the retail portal and cooperating with different departments. Here I was developing my communication skills and open mindset by interacting with members from different nationalities and cultures.

In the newsletter project I was responsible for creating the content and doing A/B testing to understand which marketing strategy works better and which target group is most profitable. I also had the opportunity to strength my strategic and analytic capabilities due to the optimization of the company's website, using SEO tools like Sistrix, SEMrush and Google Analytics, to find best keywords and rise the Google search position. My objective was to increase the traffic and create a higher conversion rate.

Furthermore, I was improving and simplifying the retail portal, in order to make it user friendly for the retailers and to avoid future problems. This task was important for our department as well, because it increased our productivity and gave to the retailer's independency from our processes.

During my internship, I had the opportunity to understand that culture is not the main factor that affects the knowledge transfer in working environment. This case study is not related about the culture in particular, but with the language. From my point of view, culture can influence the way how the individual works, organize the professional life and communicate. However, each individual is unique, and it is not possible to identify

every cultural characteristic in a particular person and we should not stereotype. We can find different cultural aspects in one single person.

In this case an international company has more difficulties in establishing the process for the knowledge transfer. The employees have to adapt themselves to a universal language, for example the English language, in our modern days, which is considered a lingua franca. The barrier occurs when individuals have a different level of this universal language, for example the use of complex and unknown words will create a barrier between two members. This barrier creates less motivation to receive the knowledge and even frustration, in some cases I could observe this problem personally. From my point of view, the management should take the responsibility to develop a fair and equal learning process for all employees, especially for the new ones. The implementation of Language Management strategies by companies can produce very positive results. the AIM Strategies Virtual Teams Trends Report, released in 2010, collected and analysed data from interviews with 150 virtual team managers, members, CEOs, leaders and clients from diverse businesses and countries. One of the main conclusions drawn from this report is that culture and language are the most common communication barriers:

“The mix of cultures in international collaboration can cause various obstacles for VT members if they lack the tools to manage it (Figure 8). The most common difficulty pertains to differences in the understanding of the English language (47%). This includes different levels of competency as well as different interpretations. For example, words such as “yes” or “done” often have different meanings, depending on the culture. Surprisingly, we found that content is more important than verbal styles, as only 10% of members have concerns with understanding accents. (...) Understanding and being aware of cultural differences can alleviate conflict and improve relationships. An additional challenge facing virtual members who collaborate across the globe is being mindful of teammates’ time zones (40%). Another big challenge stems from cultural differences (45%), which included diversity of conversation and relationship building styles.” (AIM Report, 2010: 9).

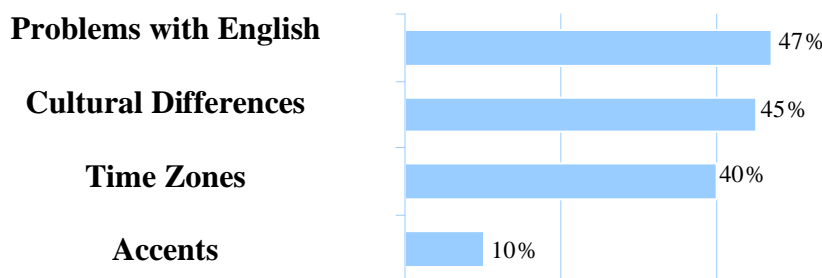


Figure 3 - Global obstacles to communication (AIM Strategies. Virtual Team Trends Report, 2010)

The company from this case study - Bettzeit - has an initiative process, for new employees. This process consists of introducing briefly the products, the corporate culture and the history of the company. However, there wasn't any presentation about digital tools. The company is using one specific digital tool to work with a huge number of tasks and internal processes.

When I started to work there, on my first day, the functions of this necessary tool have been explained to me slowly, step by step, by one team member. This means that someone from another team was explaining the same thing to another new employee. A basic explanation of the working process with this specific tool before starting the workday, could avoid the lack of productivity. The process of transferring knowledge was not efficiently implemented, because the person who was explaining this tool was not only stopping his/her working task, but also it was stopping to explain several times due to the working tasks. In this case, the management should understand what is more beneficial, not only for the company but also for the employees and create opportunities for them to learn in a more efficient way.



Figure 4 – My Company's Mugshot

7.4. Digital Marketing

The following chapter has the objective to show important tools, which are used for the daily work in my former internship Bettzeit. They are especially indispensable for the e-commerce business, because they represent one type of communication medium for transferring the knowledge.

7.4.1 Magento

According to the statistics from website Statista, the e-commerce business sector is expanding every year, due to the raising/increasing number of individuals, who are buying more often online and this aspect will only increase next years. More and more online retailers are spreading all over the world, because it is easier to establish an online store than an offline store. For founding an online store, you don't need for example to invest your capital for expensive fixed costs like the rent for the building, electricity costs, land tax etc. Additionally, less bureaucracy steps must be taken, which leads to an acceleration of the time of incorporation. Nowadays individuals are even buying products that they would never buy online some years ago, for example like mattresses. So, it means that the era of online shopping or digital era becomes more important for individuals. The following e-commerce platforms are very popular: Amazon, Shopify, BigCommerce and Magento. Each platform has different features with different utilities and purposes for a great variety of companies, from small to large companies, like startups and multinational enterprises. (c.f. Alsaad / Taamneh, 2019, p. 1-3)

The biggest objective of the online companies is to gain as much as possible visitors in their website and convert these visitors into clients. This can be achieved by ranking the own website/homepage at first place in a search engine. I am referring to the search engines like Google, Bing and Yandex. However, it is not an easy task to be placed in the first place on a Google search page and being on the top of this page. Google, for example, uses an algorithm system to analyze websites and determine if the content is relevant and associated with what the person was looking for, by using the "key word". Furthermore, the website should be well organized, every single link should be functional, every image should have a title, etc. That's why, companies need to pay attention to the SEO (Search Engine Optimization). SEO is a process of techniques and strategies to increase

the traffic of the websites. Due to the expansion of the online market, the Digital Marketing agencies are also expanding fast. They are offering different type of services to increase the company's website traffic. (c.f Yalçin / Kose, p. 488, 2010)

Bettzeit, as a young digital startup company, is focusing on selling products related with the sleep sector, with the main product, mattresses. During my internship, I was using the online shop software Magento, which is the main operational program system used in the company, for a lot of my daily tasks. With Magento, any company or any individual is able to create a website with customizable features, like the dashboard and design freedom. However, unlike the other e-commerce platforms that I mentioned before, Magento needs a software developer for creating the website.

Editing the website pages was one of my mainly tasks. Without any knowledge about coding, I had to conduct some changes on the company's website, which was not easy. I had to learn some basics by searching in the internet, by watching tutorials and testing. As you can see, this task was based on an independent work, because I had just a few colleagues in my department, who were not able to explain me those editing processes. Thus, there was a lack of knowledge, therefore the knowledge transfer was not existing regarding this task.

During my internship, a lot of changes on the website were necessary to implement. Due to new products, events, design aspects, system errors and new content, I was editing the website frequently. Furthermore, I was analyzing the traffic of individuals/clients on the website pages with SEO tools like SEMrush and Sistrix. Those tools are helping to understand which pages need to be improved and which content is necessary to be optimized according to key words from the search results in Google. During one traffic test, the results from SEMrush of some pages from company's glossary had increased the number of visitors. The glossary was a section of pages with articles related with sleep problems and technologies associated with mattresses. However, these pages were pages only with text, without pictures, design features from the company and most important, there was any link directed to the company's products. My objective was to optimize these pages and implement the company's design features. For concepting the solution for those problems, and due to the fact that the base of every website from other country department is the same, I decided to use another website structure as an example for my department's website glossary page. Besides, I added the design features and the color of the company

along with a link to the products and link to other different topics from the glossary related with sleep subjects. I believe that this implementation built more trust in our costumers because we demonstrated that we care about the quality of our image. Eventually, the result of these adjustments was truly positive, with an increase rate of visitors in our product's webpages through the links that were implemented.

I. Disposições básicas

1. Aplicação

O contrato é efectuado com a Emma Matratzen GmbH, Wilhelm-Leuschner-Str. 78, 60329 Frankfurt am Main, estabelecido na Alemanha no registo comercial: Amtsgericht Frankfurt HRA 103278 (a seguir designado Emma Matratzen). Os termos e condições do contrato aplicam-se aos pedidos através da nossa loja virtual www.colchaoemma.pt/.

Os contratos relativos à compra de produtos no site da Emma estarão sujeitos à lei Portuguesa. Quaisquer disputas relativas a esses contratos estão sujeitas à jurisdição dos tribunais Portugueses. Os seguintes termos e condições aplicam-se a todos os contratos celebrados entre o vendedor e o respetivo comprador e são expressamente reconhecidos na encomenda.

2. Condições contratuais

A venda é entendida na nossa sede social e a compra através deste portal implica a aceitação das condições gerais. O comprador pode solicitar o seu produto através do sistema de pedidos integrado na nossa loja online. Caso compre através da loja online, os produtos destinados à compra serão armazenados no "carrinho de compras" virtual. No botão correspondente em cada página, o cliente pode escolher "carrinho de compras" e fazer alterações nesse local. Posteriormente, o comprador insere os dados pessoais e escolhe o pagamento e as condições de envio. Antes de enviar a compra final, o cliente tem a oportunidade de rever as suas informações novamente para modificar ou cancelar a compra. Quando envia o pedido através do botão "Comprar agora", o cliente faz uma oferta vinculativa.

O cliente pode retornar ao site da Internet antes de fazer o seu pedido, clicando no botão "Voltar", encontrado no navegador da Internet, depois de ter revisto as suas informações e/ou fechar o navegador da Internet para cancelar o processo de pedido.

Uma vez que a encomenda é feita, o cliente expressa a aceitação do contrato. O vendedor pode confirmar o seu pedido por e-mail ou entregar a mercadoria.

3. Preços e custos de envio

Os preços e ofertas correspondentes incluem IVA (se aplicável). Os preços indicados na página de compras ao colocar o seu pedido são os preços finais. Isso abrange todos os componentes do preço, incluindo todos os impostos aplicáveis.

Somente no caso de entregas transfronteiriças, o comprador pode ser obrigado a pagar outros impostos (por exemplo, no caso de uma compra na Comunidade Europeia) e/ou ónus (por exemplo, direitos aduaneiros) às autoridades aduaneiras e fiscais e não o vendedor.

O cliente não assume qualquer responsabilidade pelos custos de envio, mas estes serão assumidos pela Emma Matratzen GmbH.

Figure 5 - Webiste page without company's design features

The screenshot shows a web page for 'Poliéster' with a clean, professional layout. The main heading is 'Poliéster' in a large, bold, dark blue font. Below it is a sub-heading 'O que é o poliéster?' followed by a paragraph of text explaining the material. A second sub-heading 'Propriedades e vantagens do poliéster' is followed by another paragraph. On the right side, there is a vertical sidebar with the heading 'Temas Relacionados' and a list of three items: 'Colchão viscoelástico', 'Tepper', and 'Espuma Airgocell®'. Below this, there is a section 'Saber mais' with three orange buttons: 'Emma Original', 'Almofada Emma', and 'Colchão de Bebê'. The overall design is modern and user-friendly.

Figure 6 - Webiste page with company's design features

7.4.2. Retailer Portal

As I mentioned above, the e-commerce platform Magento is the main service system for Bettzeit and has a huge impact on all operations of the company. This platform is very customizable and allowed to optimize the dashboard and the working operation options as the company wants.

Optimization is an important key to increase productivity. From my perspective, creating a faster and efficient way to conduct a working process gives employees the time for analyzing their results and performances in more detail, which leads to a significant development of the quality of their service and prevents more mistakes like writing a wrong information or forgetting an important task to do. (c.f Zacher / Chan / Bakker / Demerouti, p. 102-103, 2015)

During my internship I realized how important is the optimization of any manual processes, one of them of the optimization of the order process from our retailers. The process was slow and very manual, because every order was from a different retailer and received by email. This process included filling out all information and details about the customer manually in Magento. Since there was not a possibility to “copy-paste” a high number of data, the manual data entry has taken a long time. Due to this fact it was necessary to optimize the process as fast as possible. A project was developed for those reasons and the result was a portal for the retailers in the end. The objective of this portal was to provide every retailer a full control of their account without being dependent of our system or any assistance. I was involved later in this project of the retail portal with the goal to create a plan for a more user-friendly portal.

I analyzed the portal and test the process of creating an order. After this examination, I realized some aspects that could be improved like the missing total price before confirming the order. This adaptation created more trust and reduced the mistakes like introducing a wrong size or a wrong number of our products. Another issue in the portal was the tracking link for the orders. During my tests by creating orders as a result, I detected that the email associated with the client will not receive any tracking link. As a result, from my tests, I realized that the system of the portal will place randomly the order in the list after introducing in the portal without the possibility to organize the orders by date for example. The portal does not have an organized overview and could create misunderstanding. I arranged a meeting with my colleagues, an operation retail manager and one

of the front developers, besides both being from different cultures, we've discussed the issues and the possibilities to implement changes in the retail portal without any misunderstanding. This meeting resulted in the agreement to establish a board with the total price of the order before finishing the process, implementing a system to send tracking links automatically and applying a structure to organize the orders as the retailer required. When the changes were finished, the portal was presented to the retailers and later approved by them with a positive perspective for the future. This project resulted in an improvement inside of our Department: less mistakes, better concentration, time to improve the quality of the service with more personalized focus on the clients. From the other hand, the retailers felt more independent and increased the trust in our company, because of our effort in developing a better experience for everyone.

[< Voltar](#)

Rever encomenda

Pedido #	Encomendar artigos	Qtde	Total ilíquido	Detalhes de envio	Data de expedição
123456	Emma Original 120x200	x 1	██████	████████████████████	

Sub-total	██████ €
Desconto (Store discount)	██████ €
Envio e manuseio (Entrega Normal – Entrega Normal)	0,00 €
Imposto	0,00 €
Total	██████ €

*If you see any error please update your csv file.

Eu verifiquei a encomenda e declaro que podem creditar a mesma.

Confirmar encomenda

Figure 7 - Confirmation step before finishing the order process – Retailer Portal

All task and project during my internship in Bettzeit affected me differently. Working with the website was an amazing experience to understand the digital market developed such a powerful channel to transfer knowledge faster than never before. I've realized that culture can be different but is not the mainly barrier to block any knowledge, because I had the experience to learn more from different cultures other than mine, like during the retail portal project.

Chapter 8 – Conclusion

In summary, it can be said that various institutional country profiles of a cognitive, regulatory and normative nature create several barriers to the exchange of knowledge between parent companies and subsidiaries. The reason for this is the multiple embedding of the subsidiaries. In addition, the scientists do not agree on the influence of globalization on companies. Some speak of convergence others of divergence (cf. Adler, 1991, p. 57). The level of observation plays an important role here. This paper deals with divergence, since it deals with the behavior of employees between companies. It was shown that subsidiaries feel a certain pressure from the parent company. The parent company, on the other hand, must coordinate the subsidiaries. Here the external isomorphism was focused because cultural differences are more noticeable here than internally. Thus, it was established that culture plays a role in the exchange of knowledge.

The differentiation of the knowledge dimensions into explicit and implicit knowledge is decisive, because an explanatory approach for the failure of a knowledge transfer can be derived from this. However, it is not sufficient to concentrate solely on these knowledge dimensions, as there are several other reasons for this. The biggest mistake of many managers, however, is to find this concentration, so that this can lead to wrong decisions.

Knowledge transfer is positively influenced by personnel rotation, information redundancy and the necessary diversity. These aspects can make a positive contribution to the transfer of knowledge. However, this must also be viewed critically, as diversity and redundancy in particular can lead to increasing confusion. Personnel rotation can be seen as overcoming challenges. However, attention must be paid to the extent and frequency with which it is carried out. Moreover, rotation cannot be applied to all employees and thus make a positive contribution to the company. In addition, especially in the international arena, there is the distance that makes the transfer of knowledge more difficult.

A transfer can be carried out both with the technology and by means of communication. The technology aspect in particular poses different challenges to communication. Communication is suitable for identifying cultural differences, since the cultural aspect plays an important role here. The choice of the communication medium must be carefully examined and brought into line with the different cultures. For this reason, cultural differences need to be analyzed in more detail. This can then be used to determine the cultural distance between them, so that the parent company knows which countries have greater cultural differences, especially in the early expansion phase.

Each company should consider for itself to what extent the knowledge transfer via subsidiaries is successful, e.g. in comparison to joint ventures. For this, on the one hand, cultural distance can help with the decision, but also economic aspects such as the investment risk. (cf. Brouthers / Brouthers, 2001) For this reason, it is not sufficient to concentrate only on the cultural aspects.

During my internships I experienced different values of knowledge. Transferring a simple information depends mainly of the human factors. I think, these internships can be used as examples of how knowledge transfer can be successful or can be affected negatively. The internship in Bettzeit, allowed me to understand deeply the importance of knowledge transfer, which is eminently, and brought for me an intercultural experience. I recognized that knowledge itself sometimes can be difficult to find, depending from company to company and the culture, motivation, time and simply from each individual who surround us during our work. These are factors not in our limits, but influence the entire company. Due to this reason, knowledge transfer is an important topic for the modern business area. I believe that companies should invest in the quality and success of knowledge transfer. Knowledge is a priceless resource from my perspective; thus, it is necessary to learn how to keep the important information and find the best way to destroy barriers between the participants when the knowledge transfer occurs. I have gained an important personal experience through all my internships, regarding the variety of unique working environments and cultural differences in each company. From my point of view, the cultural barrier is invisible and, in some cases, easily to overcome.

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