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Exploring the Enablers and Disablers of Effective Knowledge Transfer within a Cross-cultural Context: The Case of a Japanese MNC in West Java, Indonesia

Kiu Wakimura[1], Fibria Indriati[2]

[1,2] Faculty of Administrative Sciences, University of Indonesia, Depok, Indonesia

q.wakimura@gmail.com[1], fibria.indriati@gmail.com[2]

Abstract. The purpose of this paper is to explore the enablers and disablers of effective knowledge transfer in cross-cultural contexts. In MNCs knowledge is considered to be a primary source of competitive advantage while effective knowledge transfer across the headquarters and its foreign subsidiary entails attention to the divergence of culture, prejudice, and country-specific business practices. Knowledge actors in such settings are required to have the ability to promulgate knowledge known as disseminative capacity along with the ability to understand and apply external knowledge known as absorptive capacity. This research adopted a qualitative approach using an exploratory case study where expatriates from a foreign subsidiary of Japanese manufacturing MNC in West Java, Indonesia were asked to respond to in-depth interview sessions. Interpretive grounded theory framework and procedures were used for data analyses of the results. The findings suggest that MNCs need to promote communication and linguistic skill training to further develop disseminative capacity and absorptive capacity among the members as well as to design a management strategy that stimulates trust, empathy and a shared vision that can overcome cultural differences within the organization.

Keywords. Knowledge Transfer, Cross-cultural Management, Disseminative Capacity, Absorptive Capacity, MNCs

1. Introduction

In today's economy, where companies operate globally and heterogeneity can be found in nearly all industries, multinational companies (MNCs) face the challenge of complex operations due to the difference in culture and business practices while retaining the headquarters' basic beliefs, core values and practices as opposed to the traditional homogeneous workforces within a single country (Fang, 2005; Lee & Kramer, 2016; Meyer, 2015; Owusu Ansah & Louw, 2019). As a result, the concept of managing beyond borders or cross-cultural management has developed in the discipline of international business. MNCs are linked to the companies' strategic objectives to improve their businesses as well as to acquire the advantages it may seek through the synergy derived from differences in knowledge and experience, essentially by utilizing the repositories of knowledge across borders to generating new knowledge within the organization (Michailova & Minbaeva, 2012).

From the knowledge-based view of the firm which developed from the concept of the resource-based view of the firm, knowledge holds to be the most significant resource for the

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firm to achieve competitive advantages which encompass other fundamental matters such as coordination within the organization, decision-making, organizational structure, and defining organizational boundaries (Grant, 1996). Therefore, in the case of MNCs, where knowledge is penetrable across the different units in scattered regions, it is crucial to develop knowledge transfer strategies where knowledge is accessible and understandable by all knowledge actors which can then be applied over units to ceaselessly foster new knowledge. Accordingly, Nonaka (1990) coined the term global knowledge creation for this synergistic cross-border process of knowledge creation and signified it as a focal process in international business. Successful knowledge transfer facilitates the business environment for MNCs to acquire competitive advantage where the main source of competitive advantage by far relies not only on tangible resources but also on intangible resources which leads to future growth through flexibility, innovation and performance derived from it (Cohen & Levinthal, 1990; Todorova and Durisin 2007; Zahra and George; 2002). MNCs refer to companies which have expanded their business overseas either through greenfield investment or merger and acquisition. In such MNCs, the main actors of knowledge transfer are expatriates who oversee the international operations and function as the intermediatory between the headquarters and the foreign subsidiaries. Expatriates often confront tribulation in the process to capture the country-specific tacit knowledge while prior knowledge characterized by explicitness hinders the adaptation to different organizational units (Bresman et al., 1999; Harzing et al., 2015; Yildiz et al., 2019).

While numerous studies have scrutinized the knowledge management practices in MNCs many rely on quantitative reductionist methods and address the societal and cultural distance between the low context societies in the West and high context societies (Birkinshaw et al., 2011; Minbaeva et al., 2014). Furthermore, the study of knowledge transfer in MNCs is often explored using partitioning aspects despite the dynamic nature which entails holistic interpretation of various aspects and determinants (Ishihara & Zolkiewski, 2017). Hence, the research question of this qualitative study is what are the enablers and disablers for successful knowledge transfer within a cross-cultural context that can increase the competitive advantages of MNCs? The aim of this paper is to undercover and explore the enablers and disablers of the knowledge transfer process associated with cross-cultural management that can increase the competitive advantages of MNCs. This paper hopes to contribute to the literature by offering a qualitative interpretative approach and by observing the knowledge transfer practice of a Japanese MNC in Indonesia where both are deemed as high context societies this paper should broaden the discussion on the topic.

The following sections of the paper will firstly review the discussion on the key determinants for successful knowledge transfer to take place in MNCs. Next, the research method of this study is explained, followed by the discussion on the results and finally the concluding section which includes implications of the research for further studies and in practice.

2. Literature Review

2.1. Knowledge Transfer

In the study on MNCs, knowledge management and related sub-concepts including knowledge transfer emerged as a management discipline that can confront and scrutinize the efforts to integrate and retrieve the tacit knowledge of members in the organization while also looking at the barriers in the process derived by the dispersed knowledge resources across national boundaries. Accordingly, knowledge transfer is closely related to the cross-cultural management strategies of MNCs specifically to observe the managerial decisions and

techniques regarding human resources or talents within a diversified organization where employees have different assumptions and backgrounds (Minbaeva, 2007).

Knowledge transfer has been given various definitions by scholars, for example, Bloedon & Stokes (1994, p.44) defined knowledge transfer as "the process by which knowledge concerning the making or doing of useful things contained within one organized setting is brought into use within another organizational context." Others have defined knowledge transfer as "the focused, unidirectional communication of knowledge between individuals, groups, or organizations such that the recipient of knowledge (a) has a cognitive understanding, (b) has the ability to apply the knowledge, or (c) applies the knowledge" and is distinguished from the term knowledge sharing, which every so often used interchangeably, in the sense that knowledge transfer "represents a process that is formalized, has a clearly defined purpose, and is unidirectional" (King, 2011, pp.967-976). Regardless of the definition, knowledge transfer refers to the process of transmitting or sharing a certain set of knowledge to another unit or organization's context through communicating, teaching, interacting, and sharing data, know-how, practices, values and technology.

2.2. Determinants of Knowledge Transfer

Previous literature has strived to identify the source of success and failure within the knowledge transfer process. Pioneering research on knowledge management in MNCs discussed factors that impede knowledge transfer and discovered that the tacitness of knowledge influence the speed of knowledge transfer (Zander and Kogut, 1995), while organizational context including the relationship and the capabilities of the knowledge sender and receiver plays an important role (Gupta & Govindarajan, 2000; Szulanski, 1996). Bringing together such concepts, Minbaeva (2007) called for the attention to the simultaneous mechanism in which both the knowledge sender's capacity known as the disseminative capacity and the knowledge receiver's capacity referred to as absorptive capacity affects the knowledge transfer process. Other factors that influence effective knowledge transfer are the organizational context of where the knowledge is being diffused and applied while the characteristics of knowledge that is being transmitted also affect the speed and comprehensiveness of the knowledge transfer process.

2.2.1. Disseminative Capacity and Absorptive Capacity

The first key determinant of a successful knowledge transfer in MNCs is the disseminative capacity on the knowledge sender's side which refers to the ability and motivation to scrutinize, translate, and disperse tacit knowledge within their social networks (Minbaeva, 2007; Mu et al., 2010). In a cross-cultural context where the knowledge actors have different assumptions and backgrounds, the knowledge sender is required to have the capacity to communicate about a certain knowledge in a way that is understandable in distinct contexts. This includes having professional skills, communication skills and linguistic capability (Mu et al., 2010) which can be an innate capacity or can be obtained through training or interaction with members of the organization (Minbaeva, 2007).

The second determinant is absorptive capacity on the knowledge receiver's side which refers to the ability to identify the new incoming information, its significance, and adapt to the new knowledge while utilizing it to create further commercial value (Cohen & Levinthal, 1990). To effectively receive knowledge from other organizational units, prior knowledge associated with the knowledge that is being sent or having a similar knowledge base with the knowledge sender influences the degree of knowledge transfer (Cohen & Levinthal, 1990; Minbaeva, 2007). Absorptive capacity is understood to be high if the knowledge receiver

possesses both the ability and motivation to receive external knowledge. The earlier refers to having the relevant expertise, prior experience, updated information, and common language (Cohen & Levinthal, 1990; Szulanski, 1996), while motivation refers to as Kim (2001) puts the intensity of effort to recognize, learn, and apply the external knowledge.

2.2.2. Organizational context

For effective knowledge transfer to occur among organizations the development of an encouraging setting and establishing a conducive relationship between the knowledge sender and the knowledge receiver is crucial. In the case of MNCs, this is understood to be a focal point as the headquarters and its foreign subsidiaries must strive to understand and consider each others' context beforehand to avoid misinterpretation of the external knowledge (Gupta & Govindarajan, 2000; Harzing et al., 2015; Ishihara & Zolkiewski, 2017; Michailova & Minbaeva, 2012; Song, 2014). Szulanski (1996, p.31) highlighted the importance of organizational context as the main source of effective knowledge transfer which can be strengthened through interpersonal communication and exchanges. This includes visits and meetings between the headquarters and the foreign subsidiary as well as sufficient communication by the expatriates is necessary as expatriates are in the intermediary position to transmit knowledge from one side to the other.

Organizational knowledge in the context of MNCs also contains spatial distance and contextual distance as identified by Ambos & Ambos (2009). Spatial distance or geographic distance can impede the effectiveness of knowledge transfer by hindering exchange and interaction among the members of the organization either due to the cost or complexity such as differences in time zones or the travel cost. Contextual distance hinders knowledge transfer capacities to effectively function due to two distances in the context of MNCs. Firstly, the cultural distance between the knowledge sender and knowledge receiver becomes a deterrent for successful knowledge transfer as different prejudice or value toward the same matter can cause impediments in reaching mutual understanding and solution as well as decelerate the articulation process on the knowledge sender's side and the adaptation process on the knowledge receiver's side. The second constituent of contextual distance is the linguistic distance which hinders creating common ground among different organizational units. Predominantly, linguistic distance precipitates turbulence in the interpersonal coordination mechanism as often knowledge related to technical aspects of the organization is stipulated using a single common language even across borders (Ambos & Ambos, 2009).

2.2.3. Knowledge characteristics

According to Szulanski (1996), the characteristic of knowledge influences the "stickiness" of knowledge or the factors that hinder the transfer of knowledge. The stickiness of knowledge can constrain the disseminative capacity and absorptive capacity of the knowledge actors to function to their full potential requiring more effort to translate, formalize and interpret certain knowledge. The four main characteristics of knowledge include 1) tacitness, 2) specificity, 3) complexity, and 4) availability.

1) Tacitness refers to the ambiguity of the knowledge which is defined as the "personal quality, which makes it hard to formalize and communicate" and is a nature that is "deeply rooted in action, commitment, and involvement in a specific context." (Nonaka, 1994, p.16). On the other hand, explicit knowledge is the knowledge that is codified and is less burdensome to transmit as there is a formal and systematic means to communicate the content of the knowledge.

2) Specificity is related to the expertise or the professional nature of the knowledge. Transferring knowledge across vertical organizational units which share the same functional expertise such as technological proficiency, marketing, production, or finance and accounting the more straightforward it is to transfer knowledge (Minbaeva, 2007).

3) Complexity is attributed to the amount of information needed to form and maintain a certain knowledge. Simonin (1999, p.600) referred to this as the involvement of "interdependent technologies, routines, individuals, and resources linked to a particular knowledge or asset" which can hinder knowledge transfer and generate a gap between organizational actors.

4) Availability refers to the accessibility and how much the information is disclosed to the knowledge actors (Minbaeva, 2007). In cases where knowledge is explicit and simple but unavailable to those who seek to access the knowledge, the availability of the knowledge is low. Conversely, when knowledge is tacit or complex and requires professional understanding but is open and expounded to the knowledge seeker the availability is high.

3. Research Method

In this study, a qualitative approach is adopted to explore the enablers and disablers of successful knowledge transfer that can increase the competitive advantages of MNCs within a cross-cultural context. This study is fundamentally associated with the discipline of international business and international management, which according to Barmeyer et al. (2019), there is a significant paucity of research using qualitative or interpretative approaches despite the contributions it can offer to the discussion. In accordance with this, Birkinshaw et al. (2011) described the nature of the study on knowledge management in an international context to be dynamic, requiring deeper analyses and understanding of complex knowledge that holds tacit and implicit characteristics. Thus, this study aims to employ the depth and breadth that a qualitative approach can provide to conduct an in-depth analysis to explore the dynamical knowledge transfer process within a cross-cultural context among MNCs. Furthermore, an exploratory case study research design is used in this research as it allows the researcher to develop an in-depth analysis of the real-life contextual conditions within a contemporary phenomenon (Creswell & Creswell, 2018; Yin, 2014).

The study is based on two data sources. The first is the literature study on knowledge transfer within MNCs and the second is primary data collected through semi-structured interviews. The interviews were conducted with six expatriates from a Japanese manufacturing company located in West Java, Indonesia that mainly produces automobile body components and transmission parts. The company operates across 14 countries and has 28 subsidiaries worldwide the Indonesian subsidiary being one. The rationale for selecting this particular case was that the company is a suitable typical case of a Japanese MNC in Indonesia where amongst Japanese MNCs that have expanded to Indonesia, transport equipment manufacturers hold the largest number and as in the case of the selected company most Japanese manufacturing MNCs are located in the West Java region founded between the years 2011-2015 (JETRO, 2020). Furthermore, the company has a standard number of employees and expatriates with quintessential issues surrounding the knowledge transfer process in Japanese MNCs. Single case studies can encapsulate the real-life conditions and circumstances of a common situation and the information collected is assumed to provide a general and representative understanding of a certain phenomenon (Yin, 2009).

For the data collection and analysis of the data, an interpretative research approach was adopted, where the first step is to listen to the voice of those who are experiencing certain events

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first-hand without urging prior theories on the interviewees' experiences and worldview, so their perceptions become the "foundation of the analysis" (Rios-Ballesteros & Fuerst, 2021, p.6; Sjödin et al., 2020). Secondly, taking into the contextual factors and insights from existing literature to analyse the interviewees' responses and feedback, a grounded theory research analysis design was used to perceive new concepts rather than substantiating the existing theories. The interviewees were purposely selected depending on their leading role in the management of the subsidiary and the degree of involvement in the knowledge transfer process between the Japanese headquarters and the Indonesian subsidiary. Expatriates were selected as they are the main actors who are mediators between the headquarters and the subsidiary transferring knowledge between the different units. The interviews were conducted between February 2022 - April 2022 both face-to-face and through videoconferencing services in Japanese which lasted between 20 - 90 minutes depending on the availability of the interviewees. The interviewees were requested to answer open-ended questions regarding knowledge transfer in a cross-cultural context such as: What strategies does your company use to transfer knowledge from the Japanese headquarters to the overseas subsidiary? What role do you think expatriates play in the transfer of knowledge between overseas subsidiaries and the headquarters in Japan? From your experience, what kind of cultural differences do you feel when transferring knowledge between Japan and Indonesia?

The data acquired were transcribed and analysed using NVivo software to identify relevant information using the coding processes suggested by protocols on grounded theory consisting of four steps: labelling, open coding, axial coding, and selective coding (Chun Tie et al., 2019; Glaser & Strauss, 1967; Sekaran & Bougie, 2016). To assure the validity of this research, the data obtained went through triangulation with theories put forward in previous literature on the topic of knowledge transfer in MNCs to construct cogent grounds for the study.

4. Results and Discussion

Based on the results of the interview, similar concepts mentioned by the interviewees were given labels that adequately describe the concept. Table 1 and Table 2 list the categories and sub-categories of the determinants of effective knowledge transfer in MNCs. Each of the four determinants consists of sub-categories or themes that formulate the categories. The first and second categories disseminative capacity and absorptive capacity consists of motivation which is the individual's or the unit's willingness to send or receive knowledge and skills which is the ability of the individual or unit to send or receive knowledge. The third category organizational context consists of relationships or the tie strength within the organization as well as spatial, cultural, and linguistic distances. The fourth category of knowledge characteristics is comprised of tacitness, specificity, complexity, and availability of the knowledge. In Table 1 the enablers of each of the categories and sub-categories are provided while Table 2 shows the disablers of effective knowledge transfer in MNCs.

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Table1: Category and Coding Results of Knowledge Transfer Enablers in MNCs

Category	*Sub-category*	*Enablers*	*No. of Respondents*
Disseminative capacity	Motivation	Recognition	2
		Receiver's readiness	2
		Commitment	4
		Shared vision	**5**
	Skills	Empathy	1
		Management skills	2
		Prior technical knowhow	2
		Communication skills	**6**
Absorptive capacity	Motivation	Readiness to assimilate	2
		Autonomy	2
		Incentive to innovate	3
		Commitment	4
		Shared vision	**5**
	Skills	Prior technical knowhow	2
		Management skills	2
		Communication skills	**6**
Organizational context	Relationship	Openness in office	1
		Autonomy	3
		Informal communication	3
		Trust	**4**
		Empathy	**4**
	Spatial Distance	Use of technology	**4**
	Cultural Distance	Compromising	2
		Adaptation	**6**
		Understanding	**6**
	Linguistic Distance	Linguistic training	2
		Interpreter	4
		Use of technology (Translation applications, etc.)	**6**
Knowledge Characteristics	Tacitness	Training centre	2
		Standardization	3
		Active communication	**4**
	Specificity	Prior knowledge	2
		Prior experience	3
		OJT	**4**
	Complexity	Active communication	1
		Cross-sectional interaction	**2**
	Availability	Formalized description	**3**
		Linguistic availability	**3**

From the results, it can be understood that for both disseminative capacity and absorptive capacity motivation is mainly encouraged by shared vision as well as the commitment of the knowledge actors towards their duty. One managerial class expatriate from the manufacturing company emphasized that as expatriates they are committed to ensuring that both the Japanese headquarter, and their Indonesian subsidiary are on the "same page" when discussing certain agenda or projects thus in meetings and daily interactions make sure to repeatedly discuss their future vision, goals and deadlines as well as listen from the local managers about concerns they have on the matter. By doing so, they can transmit knowledge

across the border and ensure that the foreign subsidiary is prepared to contemplate and apply the incoming knowledge. For the skills required to obtain sufficient disseminative capacity and absorptive capacity, communication skills were mentioned by all respondents. As expatriates, the respondents realize the need to develop communication skills to translate the contents of the knowledge in a way people from different contexts can understand. Two general managers mentioned that communication skills are not solely linked to linguistic capacities however the passion and patience to thoroughly discuss the matter with members of the organization and letting the team members try first and review the process together to gain better solution is what defines good communication within an organization.

The main enablers of creating a strong relationship for knowledge transfer to take place are empathy and trust while responses such as informal communication and autonomy were also observed. Most respondents agreed that developing a strong bond between the staff of the foreign subsidiary as well as understanding the needs and objectives of the headquarters are significant factors for sharing knowledge. Informal communication such as talking about matters outside of work and having meals together was also mentioned as important enablers. In addition, rather than controlling the local managers and staff, giving autonomy to them was also a focal point where the director of the company states:

> "I believe the independence of local employees is crucial as they should not only be doing what they are told by the Japanese managerial team but also should be actively participating in proposing a solution. For our company, the regular top-down phase is coming to an end, and we are working on promoting responsibility…After all, they are more experienced in doing things the 'local way', much more than us expatriates who are 'newcomers' in the sense we have a period of service in this country and are replaced by new personnel."

For overcoming spatial distance, the use of technology such as using videoconferencing services was used heavily, especially during the Covid-19 pandemic when business travel was restricted. The linguistic distance was avoided by using technology as well including translation applications while the company has started hiring an interpreter to support communication between the local employees and expatriates. The enablers of getting around with cultural distance are adaptation and understanding of a different culture as all respondents noted. Often expatriates confront cultural clashes in their working environment, however at the same time for those who are open-minded to new experiences it becomes a place to develop new cognitive capabilities as they go through cross-cultural experiences (Ishihara & Zolkiewski, 2017; Yildiz et al., 2019). Accordingly, several respondents described how their experiences overseas altered their working behaviour. For example, one respondent from the managerial class mentioned how in Japan especially in the manufacturing industry it is a common behaviour for the team leaders and managers to upbraid their team members in front of others, while in Indonesia this is thought to be rude and disrespectful. Therefore, after going through the experience of inadvertently reproaching one of the team members in front of others, the manager adjusted his behaviour which he implied to be "making an improvement" toward better interpersonal skills.

In the category of knowledge characteristics regarding tacitness, active communication enabled tacit knowledge to be communicated without friction as tacit knowledge requires an explanation from those with adept prior know-how to untangle the contents so that others can understand. Apart from this in the case of the manufacturing company scrutinized, the company has been trying to make standardized instructions for knowhows and facilitating *dojo* (literal meaning 'place of the way' in Japanese) or a workshop

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for training and acclimatizing team members to skills and knowledge that are difficult to be taught and transferred explicitly. Correspondingly, the specificity or the professionalism of knowledge is made transmittable by developing the know-how to relevant staff through on-the-job training (OJT). To confront complexity, cross-sectional interactions either in the form of informal communication or formal meetings are done on daily bases. The availability of certain knowledge in the studied manufacturing company is disclosed in the form of formalized description which has been translated from the original Japanese version to English under the initiative of the current director of the company, making it accessible for the local managers to also understand rules and descriptions related to quality, procedure, and standards that has to be met.

From the collected response the enablers of knowledge transfer include having shared vision and communication skills to encourage disseminative capacity and absorptive capacity while the organizational context in terms of interpersonal relationships required autonomy, informal communication, empathy, and trust. To confront the distances, especially cultural distance understanding and adaptation by expatriates are essential. The knowledge characteristics which determine the fluency of knowledge transfer entail enablers such as active communication and interaction as well as facilitating training centres and the organizational effort to promulgate know-how in forms that are comprehensible to the members.

Table2: Category and Coding Results of Knowledge Transfer Disablers in MNCs

Category	*Sub-category*	*Disablers*	*No. of Respondents*
Disseminative capacity	Motivation	Understaffed	2
		Lack of commitment	2
		Lack of support by seniors	4
		No potential benefit to share	4
		Receiver's response	**5**
	Skills	Organizational system to share	1
		Lack of linguistic skills	**6**
		Lack of communication skills	**6**
Absorptive capacity	Motivation	Lack of autonomy	2
		Lack of commitment	2
		No interest to innovate	2
		Cost	3
		Insufficient communication channels	**4**
	Skills	Lack of prior technical knowhow/experience	5
		Lack of communication skills	**6**
Organizational context	Relationship	Unfair treatment	1
		Discord among organizational units	2
		Lack of trust	3
		Minimum interaction	3
		Expatriate's term of service	**4**
	Spatial Distance	Travel cost	5
		Government regulations due to the Covid-19 pandemic	**6**
	Cultural Distance	Biased view	2

Knowledge Characteristics		Lack of understanding	5
		Difficulty to adapt	**6**
	Linguistic Distance	Use of the second language (English)	2
		Lack of commitment to learn the host country's language	3
		Interpreter's ability	4
		Lack of linguistic training	**5**
	Tacitness	Difficulty to teach knowhow	**3**
		No standardization	**3**
	Specificity	Lack of prior knowledge	**5**
		Lack of prior experience	**5**
	Complexity	Difficulty to translate	2
		Contextual difference	**3**
	Availability	Insufficient communication channel	4
		Linguistic availability	**5**

Next looking at the results on disablers of effective knowledge transfer in MNCs in Table 2, the motivation to disseminate knowledge to other individuals and units was predominantly influenced by the knowledge receiver's response. The director of the company commented that in many cases the foreign subsidiaries of the company can be somewhat reluctant to share knowledge that they have but are not necessarily required to report to the headquarter as the committee in charge of stipulating the operational standards within the headquarter reject opinions and new methods proposed by expatriates from the overseas subsidiaries, and even if it happens to be taken into consideration it is time-consuming to be taken into effect as the procedure includes taking surveys among the committee members and top-level management. Looking at the disablers of absorptive capacity, the insufficient communication channel has been mentioned by four of the respondents mainly describing how even though the expatriates are the main actors to receive knowledge from the headquarters, they usually are only capable of spreading the information to their direct staffs which is insufficient to communicate to the members below them and apply a system or new knowhow effectively throughout the entire organization. Therefore, the need to create a communication channel between the expatriates, managers and the grass-root level staff has been mentioned by several respondents. This leads to the disablers of disseminative capacity and absorptive capacity in terms of skills which is the lack of communication skills where all members agreed on the fact, that they need to enhance their cognitive skills and linguistic skills to effectively interact with the members.

There are several notable disablers of conducive organizational culture and developing firm relationships among the members which are lack of trust, minimum interaction, and an expatriate's term of service. The expatriate's term of service has been mentioned by the respondents as a factor that impedes constructing trust with other members where there is a common perception that expatriates are "irresponsible" and "not committed" to the foreign subsidiary as they will usually be replaced every few years. From the three distances that MNCs face, due to the outbreak of Covid-19, all respondents noted the fact that communicating across the border has changed drastically where government regulations hindered them from going on business travels. From the cultural perspective, again all members agreed on the fact that there are some cultural matters and country-specific business practices that they cannot adapt to such

as the president director speaking of the issues he has faced with the influence of the active labour union in Indonesia and how difficult it is to train staffs with different assumptions. Also, two of the members noted the fact that some of the expatriates from Japan, in general, do not seem to understand that they cannot do everything the "Japanese way" such as being too precise and acting harshly on their staff the way that would be tolerated in Japan but not in the host country. The linguistic distance was a focal point where respondents all faced obstacles of their own, and with the exception of one respondent, the lack of linguistic training was mentioned. The director of the company mentioned during the interview:

> "In my case, I tend to communicate with my staff in my second language, English. However, my English skills are enough to communicate but not quite enough to truly describe everything I want in the way I would be able to in Japanese. That goes the same for the managerial members of the company. We are on the same level when speaking in English so it is nice, but sometimes I feel frustrated not being able to communicate the way I should be able to."

He goes on to emphasize the importance to train linguistic skills including English but also the host country's language so that when the staff are discussing in Indonesian he can understand without an interpreter.

Lastly, looking at the results related to knowledge characteristics, the disablers attributed to tacitness include the difficulty to teach know-how which is based on experience and no standardized description of tacit knowledge. Lack of prior knowledge and experience among the members of the organization were mentioned regarding specificity while contextual differences such as understanding how situations and the standards differ across different organizational units were discussed regarding the complexity of the knowledge. Availability of knowledge across borders was constrained due to the lack of documents and manuals available in languages outside Japanese while communication and transfer of knowledge among individuals were also hindered by linguistic barriers.

In summary, both disseminative capacity and absorptive capacity were hindered by the lack of communication skills while disseminative capacity was discouraged depending on the response by the knowledge recipients. Results show that absorptive capacity can be hindered by insufficient communication channels. Looking at organizational context, the expatriate's term of service can impede the construction of positive relationships among the members while the difficulty to assimilate to a different culture and lack of linguistic training inhibit the development of an organizational context that allows effective knowledge transfer. Following this, contextual difference and linguistic availability are shown to be disablers of effective knowledge transfer regarding complexity and availability while lack of prior knowledge and experience restrains understanding of knowledge with high specificity.

5. Conclusion and Implications

This paper has discussed and explored the enablers and disablers of effective knowledge transfer in cross-cultural contexts centred on the in-depth interview with expatriates from a Japanese manufacturing company in West Java, Indonesia. The research approach of this study is qualitative based on a case study using grounded theory protocols and procedures for data analyses. To the knowledge of the author, there is no previous study that incorporates the idea of disseminative capacity and absorptive capacity to scrutinize the knowledge transfer process in a cross-cultural context of Japanese MNC in Indonesia. Despite the significance of the study that this paper hopes to provide, the research only considered a single regional context in a particular company. In addition, further research is needed to undercover other aspects of

knowledge management such as knowledge creation and inquire about other knowledge actors such as the staff from the headquarter and foreign subsidiary as well as to use a quantitative approach to statistically test the theories.

Based on the results of the study, some practical implications and strategies that may be suggested to MNCs to enable effective knowledge transfer include intense training for developing communication skills and linguistic skills for the knowledge actors. This is essential as tacit knowledge that is complex and specific requires the ability to elucidate the meaning and know-how in a way that is understandable for those with different assumptions and backgrounds. Furthermore, this essentially helps convey and disseminate knowledge while also developing the skills to absorb and interpret external knowledge. Secondly, designing strategies that offer a place for the organizational members to build trust and empathy is crucial to strengthening shared vision. This may be achieved by constant interaction either formally or non-formally across sections of the company as interpersonal interaction influences the tie strength between the members which ultimately influences the effective knowledge transfer. The above suggestions are practically significant for MNCs where having distanced repositories of knowledge across the border can be a constraint, however simultaneously effective knowledge transfer with the proper strategies develops a competitive advantage over their opponents.

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