Critical Factors for Communication and Knowledge Transfer

A Study of Volvo Cars Corporation’s Market Intelligence Department and their Communication and Interaction with their various Internal Clients

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Abstract

How information can be transferred efficiently within a large organization has been researched for a long time but has probably never been as important as it is in today’s global corporate world, where knowledge is an important key to success. To be able to successfully gather, analyze and transfer information throughout an organization is one of a Market Intelligence department’s main purposes. Decision makers throughout an organization are highly dependent on the quality of the Market Intelligence department’s findings and its communication and interaction activities.

The purpose of this thesis is therefore to investigate which critical factors that needs to be taken into consideration when a Market Intelligence department communicates its findings in order to facilitate knowledge transfer for their internal clients.

A theoretical background regarding communication and knowledge transfer is provided in order to understand the context of the thesis. The theoretical framework for this study is mainly based on Szulanski’s four critical dimensions of knowledge transfer; characteristics of the knowledge transferred, of the source, of the recipient and of the context in which the transfer takes place. In order to gather relevant empirical data for this study, Volvo Cars Corporation and its Market Intelligence department was contacted. The authors collected the primary data on site at Volvo Cars Corporation’s headquarter in Gothenburg, Sweden, during November 2009.

The study showed that there are several critical factors, some more important than others, that needs to be taken into consideration in order for a Market Intelligence department to communicate its findings in order to facilitate knowledge transfer for their internal clients.

An MI department needs to:

- Consider the type of information and knowledge they intend to communicate and adjust its communication approach accordingly.
- Be involved in their internal clients’ projects.
- Be aware that today’s performance affects tomorrow’s credibility.
- Understand its internal clients’ absorptive skills.
- Schedule enough time for interaction and an oral presentation in the cases where it is needed.
- Focus on building a relationship with its internal clients.
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1. Introduction

1.1. Background

In today’s global and competitive business world, it is difficult to find any magic recipe that gets a company far ahead of others. A successful and new founded management method is soon to be practiced by other companies. A new and brilliant way to manufacture certain products is soon to be copied by a company’s competitors. The same is true for new technologies and design developments. Put simply, in a more and more interconnected world where information is spread instantly and globally, it is difficult for companies to develop a sustainable competitive advantage. In such conditions companies need to find new ways to compete, new ways to be competitive also in the long run. It is argued that companies need to develop processes for better decision making. Decision making that is built on data and accurate information regarding the focal decision. (Davenport & Harris, 2007)

For companies of today it is highly important to observe and analyze the various factors that impact their industry in general and its company in particular. The practice of market research has therefore developed to become a key function in many companies (Rosander & Borg, 1996). Large organizations acting in a global environment usually has a department, often termed Market Intelligence department, whose main purpose is to gather global information related to the industry, analyze it and communicate it within the organization (Trim, 2006, pp. 125-130).

The main purpose of an MI department is not only to gather information and distribute it throughout the organization. Its role is also to help facilitate the process of transforming the gathered information into knowledge by communication and interaction with its various internal clients. A process in which the MI-department act as a source and its various internal clients acts as recipient but where actors are highly interdependent in order to facilitate knowledge (Szulanzki, 1996, p. 31). The Market Intelligence department has a broad spectrum of internal clients and the information and potential knowledge created and communicated by the MI department is supposed to be used as a foundation for decision
making by these various internal clients (Nelke, 2006). The decision makers are therefore highly dependent on the quality of the MI department’s findings and its communication and interaction activities.

1.2. Problem Discussion

As discussed above, communication and interaction are critical factors in the practice of transferring knowledge within an organization. It is further argued that organizational learning and internal transfer of capabilities is critical in order for companies to remain competitive. In order to make use of the information and knowledge created by the MI department, the recipients must understand and perceive the information and potential knowledge as relevant for their domain of responsibility. (Szulanski, 1996, p. 27)

Communication always includes three parts; a sender, a receiver and a message (Shannon and Weaver, 1963). For successful communication, these three parts need to be correlated. Problems in any part lead to a loss in knowledge transfer. Potential problems might include lack of motivation among the senders, irrelevant messages and lack of absorptive capacity among the receivers (Szulanski, 1996, p. 31), (Eppel, 2003). The practice of communication and knowledge transfer becomes even more challenging for large multinational corporations due to their organizational complexity and huge need of information processing (Ghosal, Korine & Szulanski, 1994, p. 96). An MI department needs to be able to adjust their communication in accordance to the context of the message and the various needs of its receivers (Szulanski, 1996, pp. 30-31), (Brown & Duguid, 2001, p. 207).

One company that experiences problems with this challenge is Volvo Cars Corporation, henceforward called VCC. More specifically, VCC’s MI department experiences problems with their communication, aimed at facilitating knowledge transfer, to their internal clients.
1.3. Purpose

The purpose of this thesis is to, by conducting a case study, investigate which critical factors that need to be taken into consideration when a Market Intelligence department communicates its findings in order to facilitate knowledge transfer for their internal clients.
2. Communication and Knowledge Transfer

2.1. A Communication Model – Setting the Scene

Information and communication are broad, multifaceted and relatively diffuse terms that have been studied for a long time. Shannon and Weaver (1963) are two of the first scientist who presented a communication model where they tried to explain how messages of information could be transferred from one actor to another in the quickest and most efficient way. Their model (Figure 1.) is still used as a theoretical foundation for studies regarding communication, mainly since it defines and explains the relationship between a sender and a receiver. (Carlile, 2004, p. 585)

![Communication Model](image)

Figure 1. Communication Model. (Shannon & Weaver, 1963)

As Shannon and Weavers model displays, communication is a complex process with many variables affecting how information and knowledge can be transferred from a sender to a receiver with a goal of congruence between the intention and the result of the message communicated. A message is selected by the sender from an information source consisting of a set of possible messages. In the next step, the sender sends this message through a communication channel which implies that the message is exposed to noise which can modify the intended message. The receiver collects the message by decoding it and might take action on the message depending on its meaning for the receiver. Shannon and Weaver detected three levels of communication problems that limit the efficiency and accuracy of the communication process; the technical problem, the semantic problem and the effectiveness problem. The technical problem concerns how accurate the message can be transmitted from the sender to the receiver, i.e. the capability of the channel. The semantic problem refers to how accurate the received message was in comparison with the sender’s
intention. The last level, the \emph{effectiveness problem} is closely interrelated with the semantic problem but with the distinction that it concerns the actual action taken by the receiver of the message. (Shannon & Weaver, 1963).

2.2. Information: A Prerequisite for Knowledge Creation and Transfer

Observing Shannon and Weaver’s model of communication it becomes evident that three factors are vital for communication to occur and function; a sender, a message and a receiver. There is no doubt that the interdependence between these three factors is critical in order to practice successful communication. Whereas the meaning of the sender and the receiver is rather easy to grasp, the message in the model might require a more thorough explanation. The actual message in Shannon and Weaver’s model is built up around the different information sources available for the sender (Shannon & Weaver, 1963).

Eppel (2003) defines information as “\emph{a coherent set of statements that forms a message}”. Distinguishing information and data, the latter could be said to more raw, unconnected, quantitative or qualitative items whereby information concerns answers to questions and statements about situation or facts. According to Eppel (Ibid), data becomes information when it is related to other data. In the same way as information is related or based on data, knowledge could be said to be based on information. The distinction between information and knowledge is described by Brown and Duguid (2000) in terms of its personal detachment. While information is considered to be rather independent, knowledge on the other hand entails a knower, a certain person that posses that certain knowledge. It is argued that information can be simply picked up and passed around while knowledge requires assimilation of information (Ibid). Put simple, information could be seen as potential knowledge that has to be internalized by the recipient (Eppel, 2003).

The easiness of internalizing the information and hence turning it into knowledge is much dependent on the character of that certain information. Von Hippel (1994, p. 430) has received much attention for his research regarding what he terms “sticky” and “leaky” information. Von Hippel defines “stickiness” of a given unit of information as “\emph{the incremental expenditure required to transfer that unit of information to a specified locus in a form usable by a given information seeker}” (von Hippel, 1994, p. 430). It is argued that
stickiness of information is affected by the nature of the information itself, the amount of information that is to be transferred and characteristics and abilities of the sources and recipients of the information (Ibid). While “sticky” information tends to be rather difficult to transfer and turn into knowledge, “leaky” information is of a somewhat opposite character and described as information which flows more easily (Brown & Duguid, 2001, p. 199). This discussion is rather similar to the ideas of tacit and explicit knowledge as Polanyi (1966) puts it.

It is argued that transferring explicit knowledge is another practice than transferring tacit knowledge. While explicit knowledge, due to its character of being embedded in procedures and products can be transferred fairly easy and accurately, tacit knowledge requires an extensive personal contact for making a transfer possible (Davenport & Prusak, 1998).

One dimension that often is stressed when it comes to knowledge transfer is the social aspect. It is argued that social interactions and common practices among a group of people are crucial in order to foster knowledge transfer (Brown & Duguid, 2001, p. 126). A shared understanding built around a social setting is needed (Brown & Duguid, 1991, p. 46). This becomes even more important when actors are distant from each other’s practices and the knowledge they posses is of a rather “sticky” character (Carlile, 2002, p. 446).

As explained before, information could be seen as potential knowledge that has to be internalized by the recipient. In these terms, Eppel (2003) views information as a production factor, and a factor that could be both the input as well as the output of various knowledge-intensive processes (Ibid). Put simple, information becomes knowledge when it is correctly interpreted by the receiver and when it is connected with the receivers’ prior knowledge.

High-quality information helps to facilitate the transformation of information into knowledge since high-quality information simplifies the interpretation and evaluation process for the receiver which then have easier to connect the information to its prior knowledge. (Ibid)
2.3. Knowledge Transfer – Critical Dimensions

Organizational learning has emerged as an area vital for a company's competitive position. By making use of internal knowledge and capabilities the whole company can become more efficient and successful. The transfer of what is termed ‘best practices’ is one management practice that has been heavily stressed since the latter half of the 1990s (Szulanski, 1996, p. 27). However, Szulanski states that it is not only ‘best practices’ that must be the focus, all kinds of internal capabilities that can facilitate competitive advantages should be transferred and applied widely within the organization. Hence, a broader approach to the area of transfer of internal capabilities is needed for companies to remain competitive. Even though companies are aware of the gains in transferring internal capabilities and are putting huge efforts into the practice, practical cases shows that it is a difficult process to manage. Szulanski have conducted empirical studies regarding firm's transfer of best practices. A best practice is a rather broad and vague term, defined by Szulanski (1996, p. 28) as “dyadic exchanges of organizational knowledge between a source and a recipient unit in which the identity of the recipient matters”.

In his research referred to in this paper, Szulanski (1996, p. 27) is discussing the concept of internal stickiness which concerns the difficulty of transferring knowledge within the organization. The concept of “sticky information”, presented earlier in this chapter, is also highlighted as an important dimension when discussing transfer of internal knowledge and capabilities.

Based on previous research Szulanski (1996, p. 27) presents four factors that affect the difficulty of knowledge transfer: characteristics of the knowledge transferred, of the source, of the recipient, and of the context in which the transfer takes place. A figure that summarizes these factors is presented below.

![Figure 2. Critical Factors for Knowledge Transfer (Own graphic, based on Szulanski, 1966, p. 27)](image-url)
2.3.1. Characteristics of the Knowledge Transferred

This factor covers the characteristics of the knowledge that is to be transferred. One important variable in this section includes the causal ambiguity, namely which factors that actually contribute to a capability or certain knowledge and how these factors interact during the ‘production’ of the capability or knowledge (Szulanski, 1996, pp. 30-31).

The characteristics of the knowledge transferred also includes whether the information is concrete or abstract. It is argued that information could be sticky or leaky, where the former is rather difficult to transfer and turn into knowledge while leaky information is of a rather opposite character (Brown & Duguid, 2001, p. 199). The same goes for the discussion regarding tacit and explicit knowledge, where knowledge containing tacit dimensions tends to be tricky to pass on while explicit knowledge is more fact driven and hence easier to transfer. This different characteristic of the knowledge implies that the communication methods must be adjusted accordingly. When one is dealing with tacit knowledge it is argued that extensive personal interaction is required for a successful transfer to take place (Davenport & Prusak, 1998).

Another factor for consideration is the past usefulness of certain knowledge, simply whether or not the focal knowledge has proved to be useful in the past. It is argued that it is easier to engage potential recipients in the transfer if the knowledge in question has been applicable in previous practices (Szulanski, 1996, p. 31).

2.3.2. Characteristics of the Source of Knowledge

There are numerous factors that affect how successful the source of the knowledge is to transfer the knowledge to the recipient. One factor that often is highlighted is the motivation of the source in transferring the focal knowledge. It is argued that, in some cases, the knowledge source might display a lack of motivation in sharing critical knowledge due to fear of losing ownership and a superior position. This is more likely to occur if the knowledge source is not rewarded enough for transferring hard won knowledge and might hence result in the source being unwilling to dedicate time and resources to facilitate the transfer. Rewards for knowledge transfer might take different forms and often be rather abstract, it is
claimed that it is important for the source that it understands how the recipient or the company in general benefits from their effort in transferring their knowledge throughout the organization (Szulanski, 1996, p. 31), (Eppel, 2003).

Another critical factor under this topic is the trustworthiness and credibility of the knowledge source. It is claimed that if the source is not considered credible it will be more difficult to convince the receivers to make use of the knowledge that is to be transferred (Szulanski, 2003, p. 31). Trustworthiness and credibility is something that could be facilitated in various ways, however, it is argued that displaying an understanding of the recipient and their interests is critical in enhancing the trust (Brown & Duguid, 2000).

2.3.3. Characteristics of the Recipient of Knowledge

Motivation is a critical factor also when it comes to the recipient of knowledge. It is argued that lack of motivation among recipients to absorb and make use of outside knowledge is rather common and implies difficulty to successfully transfer knowledge between the parties (Szulanski, 1996, p. 31).

An additional critical factor in the process of knowledge transfer is the recipients’ absorptive capacity which is explained as their ability to value, assimilate and apply new knowledge. The absorptive capacity of the recipients does vary and is a rather individual ability dependent on the recipients’ preexisting knowledge (Szulanski, 1996, p. 31).

Another of the recipient’s abilities that becomes important in order for them to internalize and make use of new knowledge is their so called retentive capacity. Retentive capacity reflects the recipients’ ability to institutionalize the utilization of new knowledge. Absorbing new knowledge is one step, but if the knowledge is not retained and used, the knowledge transfer in itself is useless (Szulanski, 1996, p. 31).
2.3.4. Characteristics of the Context

The organizational context is another factor that affects the success of knowledge transfer. Szulanski (1996, pp 31-32) explains it as follows; “Like a plant, a transfer that unfolds fully in one context may grow poorly in another or stagnate in a third”. It is said that formal structure and systems, sources of coordination and expertise together with behavior-framing attributes of the organizational context affect the organizations’ capacity to facilitate knowledge transfer. (Szulanski, 1996, pp. 31-32)

One more specific aspect of this dimension includes the relationship between the source and the recipient. The relationship between the source and the recipient does further include how well and to what frequency the two parties are interacting and communicating with each other. When the knowledge to be transferred contains tacit components, a tight relationship with numerous individual exchanges is needed in order to facilitate the transfer. A strenuous relationship between the source and the recipient would hence complicate the knowledge transfer (Szulanski, 1996, pp. 31-32).

2.4. Research Model

The theoretical ideas presented above form the research model presented below. As explained by Shannon and Weaver, communication incorporates three parts, a sender, a message and a receiver. It is further explained that the interplay between these three parts is highly critical in order to practice successful communication. The actual message in this communication model consist of data or information where the former is said to be more raw, unconnected and of quantitative or qualitative character whereby the latter concerns answers to questions and statements about situations or facts (Eppel, 2003). It has also been explained that there is a difference between information and knowledge. Brown and Duguid (2000) claims that this difference lies in the personal detachment since information is rather independent but knowledge, on the other hand, entails a knower. While information can be simply picked up and passed around, knowledge requires assimilation of information by the use of prior knowledge. That is, information is potential knowledge that has to be internalized by the receiver (Eppel, 2003). While the above theoretical arguments are critical
in order to understand the topic and more specifically, how communication, information and knowledge are interlinked, it will not be used directly in the analysis of the gathered data. Instead, the analysis will focus on the critical factors for knowledge transfer, as explained by Szulanski (1996, p. 27).

The transfer of knowledge is explained as a rather complicated practice in which a number of critical factors must be taken into consideration. As presented in 2.3 (Knowledge Transfer – Critical Dimensions), the most prominent sets of factors are; characteristics of the knowledge transfered, characteristics of the source of knowledge, characteristics of the recipient of knowledge and characteristics of the recipient of knowledge (Szulanski, 2003, p. 27). The research model used in this study is based on these critical sets of factors for knowledge transfer.

![Research Model](image)

**Figure 3.** Research Model (Same as Fig. 2). Critical Factors for Knowledge Transfer (Own graphic, based on Szulanski, 1966, p. 27)

The research model above will be used as a tool to gather and present the data for this study. Further, the model will be used to support and structure the analysis of the presented data, the factors that affect knowledge transfer will be discussed and conclusions regarding its importance and implications will be drawn. The figure above will also be used to guide the reader throughout the thesis. In those cases it is shown, the four circles indicating critical factors for knowledge transfer will be shortened to; Knowledge, Source, Recipient and Context.
3. Method

3.1. Research Approach

The purpose of this thesis is to investigate which critical factors that needs to be taken into consideration when a MI department communicates its findings in order to facilitate knowledge transfer for their internal clients. The purpose is of a descriptive character since the ambition is to describe and explain critical factors regarding internal communication and knowledge transfer in a large multinational company. Since a rather descriptive purpose was chosen, a qualitative research approach was deemed most suitable, and qualitative data therefore gathered. The qualitative method has its strength in its flexibility and its holistic knowledge production, which is seen as important in this study. (Darmer & Freytag, 1995)

3.2. Literature Strategy

The theoretical framework for this study is based on printed literature and scientific articles. The literature that formed the theoretical framework was mainly found through Uppsala University’s database DISA and through Gothenburg University’s database GUPEA. Keywords like internal communication, sticky information, leaky information, tacit knowledge, explicit knowledge, knowledge transfer, problems with knowledge transfer and information transfer were used when searching these databases. The authors have also been in contact with a PhD student at Uppsala University who is doing research on the subject knowledge management. This PhD student helped the study by suggesting earlier prominent work within the area of research.

References from articles and literature in the theoretical framework have also been ascertained to develop a deeper comprehension in the subject before continuing with the empirical investigation.
3.3. Choice of Case Company

The decision of which organization to study was a conclusion based upon a combination of various factors. The authors first developed an idea of what the purpose for the study should be. Communication, preferably internal communication and knowledge transfer were considered interesting subjects to study. To study a MI department’s work was therefore found interesting, since their main purpose is to collect information, analyze it and communicate it throughout the organization, i.e. transfer knowledge within the organization. The criteria for choice of case company was therefore that the company needed to be relatively large and possesses an MI department with different internal clients. In accordance with the criteria the authors sent out a PowerPoint presentation to a sample of possible case companies where they introduced themselves and presented the suggested research topic. VCC responded to this and after a telephone meeting and a personal meeting between the authors and the director of the MI department, an agreement on scope of research was settled. The authors were promised access to critical interview respondents in return for a report of the findings to the MI department. Getting access to various employees with different responsibilities in different departments was seen as very important when choosing VCC as the case company for this study.

3.4. Sample of Respondents

Interviews with employees at the MI department and with internal clients of the MI department were conducted.

3.4.1. MI Respondents

Since almost everyone at the MI department have different areas of specialization, the authors found it important to interview as many employees as possible. 12 out of 17 employees at the MI department were therefore interviewed. The reasons for not interviewing the rest of the employees at the MI department were due to the limited empirical data collection period and the fact that they were out of office. However, since the
majority of those five people possessed the same position as employees that were interviewed, no significant difference in opinions is believed to be missed. At two cases interviews were held with two MI analysts at the same time since both of them held the same position. The fact that these interviews were held with two MI analysts might have affected their responses, however, the impression was that such an effect was positive since the respondents complemented each other’s answers in a number of cases.

Interview respondents, specified with position can be viewed in figure 4 below.

<table>
<thead>
<tr>
<th>Interview Nr.</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Industry Analyst (A)</td>
</tr>
<tr>
<td></td>
<td>Industry Analyst (B)</td>
</tr>
<tr>
<td>2.</td>
<td>Director Market Intelligence</td>
</tr>
<tr>
<td>3.</td>
<td>Director EU Region</td>
</tr>
<tr>
<td>4.</td>
<td>Business Environment Analyst</td>
</tr>
<tr>
<td>5.</td>
<td>Product Researcher</td>
</tr>
<tr>
<td>6.</td>
<td>Director – Business Environment Analysis</td>
</tr>
<tr>
<td>7.</td>
<td>Customer Analyst</td>
</tr>
<tr>
<td>8.</td>
<td>Customer Analyst</td>
</tr>
<tr>
<td>9.</td>
<td>Consumer Trend Analyst</td>
</tr>
<tr>
<td>10.</td>
<td>Competitor Analyst (A)</td>
</tr>
<tr>
<td></td>
<td>Competitor Analyst (B)</td>
</tr>
</tbody>
</table>

Figure 4. Interview Summary – the Market Intelligence Department.

3.4.2. Internal Client Respondents

The sample of respondents from internal client departments was selected by the authors in discussion with the director of the MI department. The criteria for these respondents were that they in their position previously had cooperated with the MI department. Other criteria were that the respondents should represent different management levels and various departments. A sample of 20 respondents were selected by the authors and contacted by e-mail where the authors introduced themselves together with the purpose of the study. In accordance to the time frame of the empirical data collection period, 11 respondents were scheduled for personal interviews. Among those 11 respondents, 2 represented the top management team, 4 represented the management level below the top management team and the other 5 held the position as team manager. The reason as to why not all 20 contacted internal clients were interviewed was due to mismatch in schedule openings.
Further, since the 11 interviewed internal clients represented various departments and management levels, the authors believed that these 11 respondents could provide enough data for the study.

Interview respondents, specified with position can be viewed in figure 5 below.

<table>
<thead>
<tr>
<th>Interview Nr.</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Chief Financial Officer – Manufacturing</td>
</tr>
<tr>
<td>2</td>
<td>HR - Talent Management Manager</td>
</tr>
<tr>
<td>3</td>
<td>Product Strategy Manager</td>
</tr>
<tr>
<td>4</td>
<td>Business Development Manager - Special Vehicles</td>
</tr>
<tr>
<td>5</td>
<td>Manager - Volume Strategy</td>
</tr>
<tr>
<td>6</td>
<td>Senior Vice President – Marketing, Sales and Customer Service</td>
</tr>
<tr>
<td>7</td>
<td>Chief Operative Officer</td>
</tr>
<tr>
<td>8</td>
<td>Vice President – Product Planning</td>
</tr>
<tr>
<td>9</td>
<td>Manager - CEO Communication &amp; Support</td>
</tr>
<tr>
<td>10</td>
<td>Director - Governmental Affairs</td>
</tr>
<tr>
<td>11</td>
<td>Purchasing Manager</td>
</tr>
</tbody>
</table>

Figure 5. Interview Summary – Internal Clients.

3.5. Data Collection Method

3.5.1. Primary Data

Personal semi-structured interviews with the respondents were deemed preferable, since the respondents thereby were allowed to describe their experience of internal communication and knowledge transfer in a more general meaning. To socially interact and to be able to see the respondent’s body language was also considered important when interview type was chosen. (Bryman & Bell, 2007)

The interviews were framed by prepared questions which worked as a guide during the interviews, yet allowed for both the respondents and the interviewers to elaborate. These interview guides were compiled only after studying the theoretical background on the subject briefly. The purpose with this approach was to be as open minded as possible when the empirical data collection period began. Along with the data collection period progressed, the interview guide developed as well. The final interview guide was therefore slightly different than the first interview guide. The questions asked at the end of the data collection period were more focused on Szulanski’s four characteristics model than the first interview
guide was. The authors’ impressions from the first interviews in combination with the
authors growing insight about theories on this subject also helped in developing the final
interview guides, which can be viewed in Appendix 1 and Appendix 2.

In order to get a clear understanding of how the MI department communicated and
interacted with its internal clients, the primary data collection period took place at VCC’s
headquarter in Gothenburg between November 9 and November 20. The empirical data
collection period was divided in two stages. The intention in the first stage was to get an
understanding for how the MI department worked and communicated with their internal
clients. This was fulfilled by both informal meetings with different constellations of the MI
department followed by more formal personal interviews with almost the entire MI
department. Semi-structured interviews were found to be the best way to obtain this
understanding and at the same time give the respondents a chance to provide their
impressions and perceptions of how they communicate and interact with their internal
clients. Since the authors were physically positioned at the MI department during the first
stage they had an opportunity to observe the daily working processes as well as asking the
respondents direct questions regarding their working processes. The authors also got access
to internal documents, presentations and databases with the purpose of developing a better
understanding of MI´s work. Most of these documents contained information from prior
work conducted. This information was of considerable importance when developing the
interview guide, since it gave the authors a practical understanding of the MI department´s
work tasks.

The intention in stage two was to obtain an understanding for how the MI department´s
internal clients perceived, understood and processed the information and knowledge
created by the MI department. This stage consisted of semi-structured personal interviews
with 11 of the MI department´s internal clients, i.e. receivers of their reports.

3.5.1.1. Interview Strategy

All interviews were conducted at VCC´s headquarter in Gothenburg, Sweden, between Nov 9
and Nov 20. The authors were stationed in the same office as the MI department which
implied that they had access to both internal documents regarding former presentations and to VCC’s intranet where background information and MI department’s analyzes in progress were found. This information was not used as a primary data in the empirical research, but rather as information for improving the interview guide.

The interviews were all conducted in the same manner, i.e. the interviewers met the respondent for a 30-60 min long interview (all interviews were 60 min long, except one that took 30 min and five that took 45 min each) where one of the interviewers led the interview and the other one took notes. The length of each interview depended on the respondent’s time restraints in combination with how comprehensive the respondent’s answers were (Full Interview Summary Figure can be found in Appendix 3). The interviewer who took notes during the interview did ask complementing follow-up questions if needed. Straight after each interview the interviewers together discussed the answers and their personal impressions from the interview and documented this in a written document.

3.5.2. Secondary Data

Additional data, other than the primary data, has been collected from VCC’s official web page and from internal reports and material from the MI department. The secondary data has been used to build up an understanding for the company, its business, organization and also to get an insight and understanding of what kind of reports MI produces and communicates throughout the organization.

3.6. Credibility Discussion

No science or study presented is completely objective, free of valuations or true knowledge which implies that a discussion regarding the credibility of the sources is highly important.

Qualitative interviews imply subjective answers which have to be interpreted and processed to be usable in the study (Bryman & Bell, 2007). There is always a risk that interviewers during these types of interviews focus too much on questions that gain their own opinion, interpret them wrongly or maybe ignore asking questions that does not coincide with the
interviewers view (Darmer & Freytag, 1995). The interviewers were aware of this potential issue and tried to avoid such a scenario by being consistent in their approach towards the different interviewees interviewed. The empirical data collection technique was the same during the whole empirical data collection period, hence the same interview approach, documentation technique and how the data was confirmed by the respondents afterwards was used. Regarding the interview approach used, i.e. written documentation instead of recording might have caused some reinterpretation problems. The two week short empirical data collection period limited the alternatives for what technique to use. There was simply not enough time to record and transcribe all interviews conducted. The authors made the choice to interview several critical respondents using the direct documentation technique instead of the alternative to interview fewer respondents using a recorder and transcribing the interviews afterwards.

To limit misunderstandings regarding the interview questions and to make the interview guide as relevant and understandable as possible, a focus group, consisting of five business students at Uppsala University’s masters program were asked the questions before the actual interviews took place. Some minor corrections, mainly clarifications about questions regarding characteristics of context were made after this session. Another focus group, possibly consisting of employees from other companies’ MI departments, instead of business students would have improved the interview guide even more. However, the limited time frame before the empirical data collection period made this alternative impossible.

The interviews with respondents from the MI department during stage one were conducted in Swedish, which is the native language for the interviewers, as well as for 11 out of 12 respondents. The interview with the last MI respondent was conducted in English which could have caused minor misunderstandings on the behalf of both parties.

The interviews with the MI department’s internal clients in stage two were also mainly conducted in Swedish. Two out of twelve interviews were conducted in English which potentially could have caused minor misunderstandings.

The source of errors related to language barrier is seen as small since the answers from the interviews conducted in English coincided well with the answers from the rest of the
respondents. As mentioned earlier, all respondents also had an opportunity to correct their answers when the documentation was e-mailed to them.

Concerning the trustworthiness of the study it is also important to discuss if the relationship between the authors and the director of the MI department has had any influence in this study. Even though the director of the MI department has an interest in the results of this study he has only been a passive supervisor during the study and has not had a direct impact on the interview guide nor the choice of respondents interviewed.

Another important issue to reflect upon is the authors’ choice of model, i.e. the qualitative research model. A qualitative research is almost impossible to replicate due to the lack of standard procedures since the concentration of the observations is very much a product of the researchers choice of focus. It is also argued that it is difficult to value if the findings in a qualitative research can be generalized (Bryman & Bell, 2007). The authors have been aware of these problems and have tried to minimize the replication problem by being as transparent as possible when it comes to sample of respondents, interview guides used and the interview process. The authors are also aware of the generalization problem when using only one case company. The authors’ intention is not to generalize their findings to other companies. Instead, the goal is rather to generalize to theoretical ideas, i.e. improve the theoretical framework in this area by continuing collecting empirical data as long as new information is brought up. By continuing collecting data, the authors aimed to reach theoretical saturation, i.e. cover all relevant approaches for the population studied within the area of research (Esaiasson, Gilljam, Oscarsson & Wängnerud, 2007). The amount of new information brought up during the empirical data collection period declined at the end of the period. However, it is really difficult for the authors to decide whether theoretical saturation has been accomplished or not.

3.7. Operationalization

The theoretical framework used in this study worked as a foundation when developing interview questions covering the area of research. The final interview guides were divided into five categories based on the research model (Szulanki’s critical factors for knowledge
transfer); introductory questions, questions regarding characteristics of the knowledge transferred, characteristics of the source of knowledge, characteristics of the recipient of knowledge and characteristics of the context of the knowledge transferred.

The purpose with the introduction questions (Appendix 1 and 2, questions 1.1) was to cover the respondent’s previous and current position within the company and to build up an understanding for how the respondent perceives the MI department’s role at VCC. The next section of questions (Appendix 1 and 2, questions 1.2) was asked to obtain an understanding of the characteristics of the information and knowledge transferred and how difficult the information is to process and understand etc. The third and fourth categories of the interview guides (Appendix 1 and 2, questions 1.3 and 1.4) were supposed to cover the characteristics of the sender and receiver respectively, i.e. area of expertise, how credible the source/recipient is and how much interaction there is between the parties etc. The last section (Appendix 1 and 2, questions 1.5) focused on to what extent there is an established relationship between the parties and how the information is presented etc.
4. Empirical Investigation

4.1. Volvo Cars Corporation

Volvo Cars Corporation was founded in Gothenburg in 1927 and is today seen as one of the strongest brands in the automotive industry. VCC offers models ranging from SUVs, wagons, and sedans to compact executive sedans and coupes. One of the company’s main philosophies since its foundation has been: “Cars are driven by people”. Therefore, safety has always been a guiding principle in their design and production of cars and is something that has been heavily stressed in the marketing efforts of VCC. VCC was acquired by Ford in 1999 and the American automotive company remains the owner today, even though there are speculations that the Chinese automotive company Geely might become VCC’s new owner in the near future (Dagens Industri 2009-12-23). (Volvo, Internal Document, 2009)

4.2. The Market Intelligence Department

The Market Intelligence Department, located at the VCC’s Headquarter in Gothenburg, is globally responsive for the company’s market research. The department and its analysts conduct business environment monitoring, consumer/customer research and industry/market analysis. As stated in their own role description, the department is to serve the role as the “voice of the customer and the market”. Further, the knowledge, conclusions and recommendations gained from the research and analysis that is conducted by the MI department is supposed to be used in order to guide and influence major VCC business decisions (Volvo Internal Document, 2009).

More specifically, the various tasks and analysis carried out by the Market Intelligence department include:

- **Customer Research** (trends, target customer description input, customer profiles, customer behaviour)

- **Customer Satisfaction and Quality Studies**
• Communication Research (pre-testing, image and ad-tracking, sales promotion, sponsoring, motor shows etc)

• Network Research

• Product Research (product clinics, attribute research etc)

• Business Environment Analysis (macro-economy, political, legal etc)

• Competitor Analysis (industry, strategic competitor monitoring)

• Price and Volumes Analysis (Volvo internal document, 2009)

The MI department consists of a total of 27 people divided into different areas and roles. The team that is based in Gothenburg is divided into two areas; Business Environment Analysis and Customer & Product Analysis. There is also an EU Region MI team based in different locations in Europe, as well as five individual analysts located in China, Denmark, North America, Russia and Japan. See organization chart below. (Volvo Internal Document, 2009)
In the following empirical chapter the general consensus of the respondents’ opinions will be provided. In a few cases individual opinions will be brought up and in these occasions a specific reference will be made.

**4.3. Characteristics of the Knowledge Transferred**

The MI department has a large number of various internal clients which means that the spectrum of research and analysis is rather broad. A first, and rather rough, splitting of the MI department’s work could be seen in the two divisions of *Business environment analysis* and *Customer and product analysis*. Within the *Business environment analysis* division, areas such as competitor analysis, industry analysis, business environment analysis (macro aspects) and consumer trends analysis (macro aspects) are found. In the *Customer and product analysis* division, covered research areas include; product research, communication research and consumer/customer analysis.

The actual start up process for each of the tasks carried out by the MI department varies. A fairly broad splitting of the various tasks is seen in the two different reports produced by the MI department; *standard reports* and *ad hoc reports*. The *standard reports* are conducted on a continuous basis, includes pre determined factors for analysis and the actual work process is rather predefined and standardized. Further, the content and findings in these *standard reports* tend to be rather concrete and mostly consist of objective numbers. That is, there is relatively small room for subjective analysis and interpretation of the findings since they are based on fact driven numbers, such as numbers of sold cars, prices charged on various car models and raw material prices. Further, the *standard reports* are distributed by e-mail to a large group of heterogeneous internal clients, usually presented in documents such as Word, PDF or PowerPoint. The *ad hoc reports* are often of opposite character; the specific area of analysis is never or seldom researched before, the research factors are not always predefined and there is no single best method of conducting the research. Put simple, ad hoc reports leave a larger gap for the MI department to decide on the work process and its final outcomes themselves. Examples of such reports might be; analysis of a specific competitors’ success in a certain geographical region or analysis of future consumer trends.
within a specific market segment. The *ad hoc reports* are as well as the standard reports presented in a Word, PDF or PowerPoint document but in some of the cases also presented orally for the specific recipients. It is worth mention that such presentations mostly occur upon the internal client’s request.

The general consensus among the interviewed internal clients was that it was easier for them to understand and absorb the findings in the *standard reports* than it was to absorb and make use of the findings presented in the *ad hoc reports*. Further, the majority of the internal clients also claimed that oral presentations in some cases were needed in order to understand and make use of the findings in the *ad hoc reports* while the findings in the *standard reports* were fairly easy to understand only by reading the distributed documents.

### 4.4. Characteristics of the Source of Knowledge

The MI department is a relatively heterogeneous group of people whose role is to provide information and market knowledge to the various internal client’s within the organization. All respondents at the MI department have worked within VCC for at least 5 years, most of them for more than 15 years. However, all respondents from the MI department have been employed by other departments within VCC before they ended up at the MI department. More precisely, almost everyone at the MI department has been working at an internal client department before obtaining their current position. A common opinion among the interviewed MI analysts is that their earlier experience within VCC has been helpful in their current job. All respondents claimed that their experience from being an internal client has gained their understanding for the MI department and thereby improved their performance as the knowledge source. Some of the respondents even expressed that experience from other departments is a necessity in order to perform a successful job at the MI department.

The working process is depending on factors such as the complexity and extent of the project, the importance of the report and also how much time available the MI department has. There is no common or formal entry gate for new projects. However, many of the
responding internal clients pointed out the importance of former cooperation when deciding whether the MI department could help them out but also if there is a certain employee within the MI department who could assist them in the potential research project. Internal clients also argued that the MI department´s former performances affected how their future cooperation will come off. If earlier projects, for different reasons, had not been satisfactory enough for the internal clients, chances of using the MI department again decreased.

Another important issue that frequently was brought up during the interviews was that MI analysts experienced dissatisfaction in not being updated on the internal clients’ projects. Many of the MI analysts claimed that it was frustrating that they were not aware of how their findings were used and how much they based their decisions on the MI department´s findings.

The MI department´s role at VCC is relatively complex to explain due to the respondents’ different opinions. The two interviewed Industry Analysts at the MI department claimed that MI’s purpose was to provide the organization with objective information about the global business environment, which each internal client then analyzes itself. However, the director of the Business Environment Analysis team and one of the two Customer Analysts explained that the MI department´s role is to gather and highlight, but also to analyze the information before providing the organization with their results. They argued that the MI department’s responsibility was to provide analyses about the environment that explains Volvo’s standpoint in the focal question. This divided perception was also found among the interviewed internal clients.

Generally the employees at the MI department are only involved in the internal clients’ projects when those are of a more extensive character. The interviewed internal clients claimed that they found this odd since they in general believe that the MI department could improve their findings if they understood the internal clients’ environment better.
4.5. Characteristics of the Recipient of Knowledge

The MI department has a wide range of different internal clients who directly or indirectly makes use of the MI department’s findings. The standard reports are usually distributed to a larger group of recipients on different hierarchical levels and in different departments within the organization. Ad hoc reports, on the other hand, are usually only distributed to the actual task initiator (internal client).

The diversification of the internal clients is explicitly explained by the fact that they work in different departments, have different hierarchical positions, different backgrounds, knowledge domains and interest agendas. This fact further adds to the complexity of the MI department’s job of communicating its findings since there is a need to understand these different internal clients in order to adjust communication methods and level of complexity in the reports accordingly.

The internal clients explained that they benefitted from the standard reports since they provide an aggregated overview of business factors that applied to their work in a more loosely coupled way. More specifically, the recipients of MI’s standard reports claimed that they did not use the specific findings in their daily work but that they indirectly served an important role in order to keep them updated on the “bigger picture”.

The ad hoc reports were, due to their character, used in another way. Since the ad hoc reports, in most cases, are the results of a specific task ordered by a specific internal client, these internal clients tends to use the reports more directly in their work.

The cooperation between the source and the receiver depends on many different factors such as motivation, previous cooperation, type of information etc. Another important factor is the internal customer’s theoretical and practical background. A majority of the employees at the MI department saw the recipient’s background as an important factor when considering how to analyze and communicate the information.
4.6. Characteristics of the Context

The context of the MI department’s practices mainly depends on the focal task at hand, who the internal client is, the research project’s importance for that client and the relationship between the two parties.

Regarding the task at hand it is possible, once again, to distinguish between *standard reports* and *ad hoc reports*. Standard reports implies a work process in which the interaction and communication between the MI department and the recipients is rather limited. Since the area of research and the specific factors that is to be highlighted is predetermined there is not really any need for reconciliation between the parties during the work process.

*Ad hoc reports* on the other hand imply that one internal client initiates a specific research task that is to be conducted by the MI department. This research task usually starts with a meeting where the objectives and the intended use of the research findings are discussed. The startup process however, might vary and the amount of information the MI department receives regarding the internal client’s actual objective differs. The interaction between the MI department and the internal client (task initiator) during the work process does also vary. In some research tasks the MI department and the internal client interact to update each other on progress made or to agree on how to approach certain situations that emerge during the process. However, it is rather seldom that these interactions are systematic and the formality of them also differs. In some cases formal meetings are set up while at other cases these updates are handled by a quick phone conversation.

The context and the work process of the MI department also depend on who the internal client is. In the cases where the internal client is someone at a higher management level within the organization, from the corporate management for example, the interactions between this person and the MI department tend to be rather limited. This is due to the fact that these persons often are very busy and therefore does not have time to interact during the time of a research project. However, also the analysts at the MI department claimed that their busy schedules imply obstacles for more frequent interaction in majority of the cases.
Further, the work process and its context also vary due to the research task’s importance for the recipient. In the cases where the project and the upcoming findings are of major importance for the internal client, he or she tends to be more engaged and involved in the project. This is illustrated by the fact that the internal clients in those cases makes a huger effort in trying to explain as much as possible about the purpose of the focal task as well as initiating update meetings and conversations throughout the project.

Both the respondents from the MI department as well as the majority of the respondents among the MI department’s internal clients also stated that earlier experience of working with each other shaped the context in which the work and communication takes place today. More specifically, in the cases where the MI department and the internal client had built a relationship more interaction seemed to take place.
5. Analysis

5.1. Characteristics of the Knowledge Transferred

As explained in the empirical section of this thesis, the MI department’s analysis and research covers a broad spectrum of different areas. Further, the MI department produces two types of reports; standard reports and ad hoc reports.

These two reports, or at least the information they contain, could be discussed in the terms of sticky and leaky information, and tacit and explicit knowledge (von Hippel, 1994, p. 430; Polanyi, 1966). Leaky information and explicit knowledge are described as information and knowledge that flows rather easily and hence are easy to pass on between people. Sticky information and tacit knowledge on the other hand tends to be rather difficult to transfer and hence turn into knowledge for the recipient (von Hippel, 1994, p. 430; Polanyi, 1966). It is argued that the stickiness of certain information is much due to the character of the information itself (Brown & Duguid, 2001, p. 199). In terms of the MI department’s two different reports, the standard reports and their containing information and findings could be argued to be similar to leaky information or explicit knowledge while the ad hoc reports and its findings reminds more of so called sticky information or tacit knowledge. Since the standard reports often contains data focused findings (fact based numbers) such as raw material prices and number of sold cars for example, the actual information requires less interpretation and analysis for both the analysts within the MI department as well as for the internal clients that makes use of the reports. This implies that the information in the standard reports, similar to leaky and explicit information/knowledge, is rather easy to understand and absorb for the recipients. The ad hoc reports which contains more subjective interpretations, analysis and abstract information – similar to sticky and tacit information/knowledge – requires more of the recipients in order for them understand, process and make use of the findings. Put simple, the recipients need to interpret, process and put the findings into context. This might imply that the analytical deepness of the focal information could be a determinant factor regarding how to transfer the information/knowledge from the sender to receiver.
The different characters’ of the information provided in the reports produced by the MI department might imply that the presentation formats have to be adjusted accordingly. The findings in the standard reports that are of a rather concrete character, leaky or explicit information, are in most cases distributed by e-mail and presented in standard documents such as Word, PDF or PowerPoint. Almost everyone among the responding internal clients argued that this presentation method and formats was sufficient in order for them to understand and absorb the presented findings. The ad hoc reports that instead contains more abstract information needs to be processed by the recipients which might imply other requirements when it comes to presentation methods and formats. In the cases of ad hoc reports, the presentation methods and formats do vary. In some cases, the reports are presented in similar ways as the standard reports, distributed by e-mail and presented in Word, PDF or PowerPoint documents. However, in other cases the ad hoc reports are presented orally by the MI department with help of a PowerPoint presentation. The majority of the interviewed internal clients claimed that they, in some cases, preferred an oral presentation when it comes to ad hoc reports containing more abstract information. This point of view, expressed by the internal clients, correlates with Davenport and Prusak’s (1998, pp. 95-96) argument that “tacit knowledge requires extensive personal contact for making a transfer possible”. This might imply that in the cases when an ad hoc report is not presented orally, some of the knowledge might not be transferred successfully. Since it is argued that internal transfer of knowledge can facilitate a competitive advantage for an organization, the potential loss in knowledge during the transfer should be taken seriously (Szulanaki, 1996, p.27).

5.2. Characteristics of the Source of Knowledge

There are many different factors that affect how successful the transfer of information will be. One of the critical factors in the communication model is the sender, i.e. the source of knowledge. One aspect important to consider is the fact that the employees at the MI department have experience from working within other departments of VCC before they joined the MI department.
There is no doubt that past experience within VCC implies a greater understanding for how the organization works and how the different internal clients make use of the MI department’s findings. It is an explicit strategy used by the MI department to consist of employees with different backgrounds in order to match and understand the heterogeneous groups of internal clients. To have this previous experience of other organizational departments is usually seen as positive but can also turn out to be negative if the MI department becomes too “VCC focused”.

Another important experience issue to discuss when analyzing the source of knowledge and its importance for knowledge transfer is the relationship between the MI analysts and the internal clients. Experiences from past projects are according to internal clients an important determinant for how upcoming projects and relationships will develop. If the reports produced in previous research projects has not been useful or credible enough, that might lead to a decreased credibility for the information transferred in the short run and for the whole MI department in the long run. Since the research tasks are performed relatively individually at the MI department it is important that all MI employees are aware of their importance for the whole MI department’s credibility.

Another important factor to consider when evaluation the process of knowledge transfer is how each employee’s motivation affects the practice (Szulanski, 1996, p. 31). The MI department is, by some respondents, nowadays more seen as a rather isolated information producer and distributor than an integrated part of the different business projects throughout the organization. According to the MI analysts the reason for the low level of involvement in projects is mainly due to time restraints. The fact that MI employees are not being extensively involved in internal clients’ projects can decrease the motivation for the individual MI analysts, and their commitment to produce and transfer high quality information might therefore suffer. The advantage employees at the MI department have due to their former experience as an internal client to the MI department might also decrease if they are not working close enough with their internal clients.
5.3. Characteristics of the Recipient of Knowledge

Internal clients’ interaction with the MI department and their processing of the transferred information are critical factors when evaluating knowledge transfer between the MI department and its internal clients. Szulanski (1996, p. 31) states that lack of motivation among the recipients to make use of the information that is to be transferred is common and results in a non-successful knowledge transfer between the two parties. Most of the interviewed internal clients viewed the MI department as a free service, useful for getting information and support in decision making. This attitude can cause a motivation problem among the internal clients in their attempt to understand and make the best use of the MI reports.

The ability for the recipients to absorb the knowledge is another critical factor to consider when analyzing communication and knowledge transfer. As described in the theoretical chapter, a successful transfer cannot take place if the recipients cannot absorb the knowledge (Szulanski, 1996, p. 31). The MI department’s internal clients consist of people with relatively diverse backgrounds. According to the theoretical arguments, this implies a difficulty for the MI department, since they need to be able to understand the internal clients to be able to judge and evaluate their absorptive capacity. One way for the MI department to facilitate this understanding could be to interact with the recipients and thereby better evaluate their absorptive capacity. As many of the recipients explained during the interviews, interaction and continuous communication seems to be down-prioritized by the MI department in some cases. Due to limited understanding of the recipients’ absorptive capacity the MI analysts need to make a lot of assumptions in this phase of the knowledge transfer. This might imply a risk in making too many assumptions about the receivers’ absorptive capacity in favor of being able to use the same communication procedure for each and every recipient.

The issue of absorptive capacity also connects with the motivation discussion, since recipients might lose motivation in taking part of the knowledge transfer if they do not have the capabilities to absorb it and make use of it in a proper way (Szulanski, 1996, p. 31).

In addition to a better understanding of the internal client’s absorptive capacity, increased interaction between the parties will most likely imply a better understanding of the research
projects actual contribution and usefulness for the internal client. Further, more interaction would also decrease the risk of a mismatch between what information the internal client is really requesting and what the MI department believes the internal clients is requesting.

5.4. Characteristics of the Context

The context of the MI department’s practices is hugely dependent on the focal task at hand, the internal client, the importance of the task for the internal client and the existing relationship between the parties. The ‘context’ is viewed as the approach the MI department uses to carry out its tasks and how they interact and communicate with their internal clients (Szulanski, 1996, pp. 31-32).

First, it is possible to see a difference between standard reports and ad hoc reports. Since the standard reports have evolved over time, and their content and presentation format mainly remains the same, there is very little interaction between the MI department and the internal clients that makes use of the standard reports. Another factor behind the limited input from the internal clients is the fact that the standard reports are distributed to a large and diversified group of internal clients which implies that it is difficult to find a model that suits each and everyone. Instead, the standard reports have to be formed so it suits a large and heterogeneous audience relatively good, without being perfect for each of them. The ad hoc reports on the other hand, are in some cases created with more interaction and communication between the MI department and the internal client.

As discussed earlier, the ad hoc reports tend to contain dimensions of sticky and tacit information and knowledge, something that also requires more interaction and personal contact between the parties in order to successfully transfer the information and knowledge at hand. The more interactive approach when producing and presenting an ad hoc report hence seem to be in line with what the theory suggests. However, it is important to point out that the interaction and communication differs between various ad hoc projects and also due to who the internal client is. Thus, there is no formal or systematic way of facilitating the
interaction that is needed for transferring the sticky or tacit information and knowledge that are found in the *ad hoc reports*. Further, the times when interaction and communication occur during the research process or the final presentation, there are in most cases the internal clients that have requested it. The lack of interaction and communication in some cases is something that might deteriorate the transfer of knowledge between the parties. It seems like the MI department does not prioritize the interaction and communication throughout the process or at the final presentation of the research task. The lack of time for the MI analysts was a contributing factor in the cases where interaction and communication with the internal clients was limited or absent.

The fact that the MI department does not have any systematic way of obtaining feedback from the internal clients further implies that the MI department sometimes misses internal client’s preference of having more interaction and communication throughout the research projects. Feedback and evaluation of what factors that could be improved next time the two parties work together is important to facilitate the relationship between the MI department and the various internal clients.

The interaction and communication between the MI department and the internal clients during or at the final presentation of a research task varies according to what relationship that exists between the MI department and the focal internal client. In the cases where the analysts at the MI department and the internal client have been working together at earlier research tasks, the interaction and communication tends occur more frequently and also be more successful. The responding internal clients that argued that they had built up a relationship and understanding of the MI analysts claimed that they interacted and communicated more with the MI department during a project than those that had not been working as much with the MI department before. Further, and more interestingly, the internal clients that had an established relationship and interacted more with the MI department during a project also seemed to be more satisfied with the findings that the MI department produced. They seemed to have easier, than the less interactive internal clients, to understand and make use of the information and knowledge that are included in the *ad hoc reports*. This corresponds with the theoretical arguments claiming that knowledge transfer is a continuous process and that the recipient benefits from continuous interaction with the MI department throughout a project (Eppel, 2003).
6. Conclusions

The purpose of this thesis is to investigate which critical factors that needs to be taken into consideration when a Market Intelligence department communicates its findings in order to facilitate knowledge transfer for their internal clients.

**Characteristics of the Knowledge Transferred**

As presented earlier in this paper, the MI department is producing two different types of reports; standard reports and ad hoc reports. While the standard reports tend to contain fairly concrete information and knowledge, similar to leaky information and explicit knowledge, the ad hoc reports tend to contain rather abstract information and knowledge more similar to sticky information and tacit knowledge. The MI departments’ internal clients expressed opinions concluding that the information and knowledge presented in the standard reports were fairly easy to understand and make use of only by reading the actual reports. On the other hand, they also claimed that the information and knowledge presented in the ad hoc reports were more difficult to process and that an oral presentation and more interaction facilitated that process. This statement correlates with the theoretical argument claiming that “tacit knowledge requires extensive personal contact for making a transfer possible” (Davenport & Prusak, 1998, pp. 95-96). Hence, the character of the information and knowledge affects what communication approach that is most suitable.

- An MI department needs to consider the type of information and knowledge they intend to communicate and adjust its communication approach accordingly.

**Characteristics of the Source of Knowledge**

The study revealed that the MI analysts’ past experience of working in other VCC departments and their experience as former MI internal clients helps them in their communication practices of today. In other words, it is important that the MI analysts knows their internal clients, their various projects and objectives in order to communicate and facilitate knowledge transfer that match the internal clients interests. In order to keep
updated on the internal clients’ projects it is important that the MI analysts continuously are being as involved in the internal client’s projects as possible. Further, by being involved in the clients’ projects the MI analysts will be able to get an understanding how their reports are being used, something that possibly will increase their motivation as a knowledge source.

- *An MI department needs to be involved in their internal clients’ projects.*

The study also showed that MI analysts’ performance in former projects affects their credibility in future projects. The internal clients are more keen and motivated to process and make use of the information and knowledge that are to be transferred if their earlier experience with the MI department was satisfactory.

- *An MI department needs to be aware that today’s performance affects tomorrow’s credibility.*

**Characteristics of the Recipient of Knowledge**

The internal client’s ability to absorb information, termed absorptive capacity, is a critical factor for knowledge transfer to occur. Individuals and groups might have different absorptive skills and since the MI department deals with a large group of heterogeneous internal clients, those differences must be taken into consideration. If the MI department understands their internal clients absorptive skills they can better adjust their communication approach accordingly.

- *An MI department needs to understand its internal clients’ absorptive skills.*

**Characteristics of the Context**

In some cases there seemed to be a lack of interaction between the MI analysts and the internal clients throughout the various projects. Further, in some of the cases, *ad hoc reports* were not presented orally at the final delivery of the project. The lack of interaction and absence of a final oral presentation were according to the internal clients negative for their
understanding and processing of the transferred information and knowledge. It was further revealed that the lack of interaction and oral presentations was due to time restraints for the MI analysts.

- **An MI department needs to schedule enough time for interaction and an oral presentation in the cases where it is needed.**

The study showed that in the cases where the MI analysts and their internal clients had succeeded to build a relationship, more interaction was taking place throughout today’s research projects. Further, the internal clients seemed to have easier to understand and process the information and knowledge when there was more interaction with the MI analysts throughout the projects. In addition, the internal clients that claimed that they had established a relationship with the MI analysts seemed to be more satisfied with the MI department’s reports than those that did not claim to have an established relationship.

- **An MI department needs to focus on building a relationship with its internal clients.**
7. Proposals for Future Research

Since knowledge transfer is a critical practice in order for companies to gain a competitive advantage, future and more extensive research within the area could be of importance for corporate actors. Since this qualitative study researched which critical factors that needs to be taken into consideration when a Market Intelligence department communicates its findings in order to facilitate knowledge transfer for their internal clients, a more quantitative study within this field would be interesting. One potential research perspective would be to measure the different critical factors’ relative importance in order to rank which of them that are most important for successful knowledge transfer to occur. This insight would be valuable in the cases where an MI department, or a similar department, need to prioritize which critical factors to focus upon.

Another interesting area for future research would be to investigate the potential of transferring sticky information and tacit knowledge in more established channels such as the standard reports discussed in this thesis. In the case study conducted for this thesis it was revealed that the ad hoc reports contained dimensions of sticky information and tacit knowledge which is rather difficult to transfer. Since the ad hoc reports tends to be less standardized and established than the standard reports it would be appealing to conduct a pure qualitative study to investigate whether sticky information and tacit knowledge would be easier to transfer if the channel is more standardized and established.
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**Interviews – Employees at the Market Intelligence Department**

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Director EU Region, 2009-11-10

Business Environment Analyst, 2009-11-10

Product Researcher, 2009-11-10

Director Business Environment Analysis, 2009-11-10

Customer Analyst, 2009-11-11

Customer Analyst, 2009-11-12
Consumer Trend Analyst, 2009-11-12

Competitor Analyst, 2009-11-12

Competitor Analyst, 2009-11-12

**Interviews – Internal Clients**

CFO Manufacturing, 2009-11-16

HR - Talent Management Manager, 2009-11-16

Product Strategy Manager, 2009-11-16

Business Development Manager - Special Vehicles, 2009-11-17

Manager - Volume Strategy, 2009-11-17

Senior Vice President – Marketing, Sales and Customer Service, 2009-11-17

Chief Operating Officer, 2009-11-17

Vice President - Product Planning, 2009-11-18

Manager - CEO Communication & Support, 2009-11-19

Director - Governmental Affairs, 2009-11-19

Purchasing Manager, 2009-11-19
Appendix 1: Interview Guide – Employees at the MI Department

1.1. Introduction questions

- Name & title?
- What educational background do you have?
- Working experience within Volvo?
- What is your role within the MI department?
- What is MI’s role in the company?

1.2. Characteristics of the knowledge transferred

- What kind of information is transferred?
- What is the difference between standard reports and ad hoc reports?
- Can you give some examples of standard and ad hoc reports?
- How is the standard and ad hoc reports presented?
- How difficult would you say your information transferred is to understand for the internal client? Why?

1.3. Characteristics of source of knowledge

- Describe your working process?
- Is the working process systematic?
- How is your time schedule? Working with many projects at the same time?
- How specified are your tasks?
- How extended are your tasks?
-How important is your information for the internal clients? Are you aware of how it is used?

-How much interaction do you have with the internal clients throughout a research project? From start-up to delivery? Is there a systematic process in place?

-Explain how your former experience from other departments has affected your current performance?

1.4. Characteristics of the recipient of knowledge

-Is it important to know the internal customer’s ability to understand and process the information/knowledge in the reports? How do you research their abilities?

-How motivated are the internal clients to understand and make use of your reports?

-What input do the internal clients have on your working process?

1.5. Characteristics of the context

-Is there a systematic feedback function in place? How does it work?

-How is the research projects presented? What factors influence that decision?

-Do you consider that you have a relationship with the internal clients you are working with? If that is the case, what is the effect of that?
Appendix 2: Interview Guide – Internal Clients

1.1. Introduction questions

- Name & title?

- What educational background do you have?

- Working experience within Volvo?

- How often do you contact/work with the MI department?

- What is MI’s role in the company in your opinion?

1.2. Characteristics of the knowledge transferred

- What kind of information do you request from MI?

- How specified are the tasks you are requesting from MI? If it depends, explain why?

- How extended are the tasks you are requesting?

- Is there a problem for MI to understand the things you are asking for? Why/why not?

- How critical is the information you get from MI? How much do you value it?

- How difficult is it to understand and make use of the information/knowledge that the MI department presents?

- How would you explain the differences with standard reports and ad hoc reports?

- How are the standard reports and the ad hoc reports presented to you?

1.3. Characteristics of source of knowledge

- Are you aware of MI’s competence and scope of research?

- How credible is the information delivered by MI? How can it be improved?
- How easily comprehensible are the MI reports? Analytical deepness? Detail level? Up to date? Summarized? Etc

1.4. Characteristics of the recipient of knowledge

- How important is your previous experience with the MI department and how does this affect upcoming cooperation?
- How much interaction do you have with the MI during the process? From start-up to delivery? Is there a systematic process in place?
- What input do you have on the working process?
- Would you act different if MI’s service wasn’t free?

1.5. Characteristics of the context

- How close do you work with MI and which factors does this depend upon?
- How do you communicate with MI? Which channels?
- Is there a systematic approach to how you interact with the MI analysts?
- Is there a systematic feedback function to MI in place? How does it work?
- How is the knowledge transferred? Does it depend on type of information?
- How important is your previous experience with the MI department and how does this affect upcoming cooperation?
- Do you consider that you have a relationship with the MI analysts you are working with? If that is the case, what is the effect of that?
## Appendix 3: Interview Summary Figure

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<thead>
<tr>
<th>Position</th>
<th>Date</th>
<th>Duration</th>
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<tr>
<td>Industry Analyst (MI)</td>
<td>9/11</td>
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<td>9/11</td>
<td>60 min</td>
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<tr>
<td>Director Market Intelligence (MI)</td>
<td>10/11</td>
<td>60 min</td>
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<tr>
<td>Director EU Region (MI)</td>
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<td>45 min</td>
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<tr>
<td>Business Environment Analyst (MI)</td>
<td>10/11</td>
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<tr>
<td>Product Researcher (MI)</td>
<td>10/11</td>
<td>60 min</td>
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<tr>
<td>Director – Business Environment (MI)</td>
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<td>Vice President – Product Planning</td>
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<td>Manager - CEO Communication &amp; Support</td>
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