KNOWLEDGE, ORGANISATIONAL CONTEXT AND INSTITUTIONAL FORCES: KNOWLEDGE SHARING IN IKEA AND SCA

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INTRODUCTION

In tandem with the increasing interest in knowledge management and organisational learning, knowledge sharing has received strong attention among companies and academics over the last years. Sharing knowledge internally in organisations is often a key concern, and a central means to reap benefits of knowledge and learning. The rationale behind internal knowledge sharing in comparison to e.g. education or other forms of acquisition of knowledge, is cost efficiency, a higher degree of trust (e.g. Inkpen & Tsang, 2005), and the possibility to generate knowledge that is idiosyncratic to a specific organisation, hence providing uniqueness which can lead to sustained competitive advantage (e.g. Barney, 1991).

However, knowledge sharing is complicated because it depends on a range of matters relating to knowledge itself, organisational structure and relations, and on the will of people to partake in knowledge sharing. Considering theory on success and failure factors, however, empirical work strongly emphasises *cognitive* issues (such as tacitness, absorptive capacity, causal ambiguity, cognitive variety and more) as explanatory factors. Other groups of factors, such as *organisational context* or *institutional forces* (e.g. individual and group motivation, and norms and values) are addressed more scarcely. With this paper we want to balance the picture, and discuss not just cognitive factors but also the impact of organisational and institutional factors. The purpose of the paper is to increase the understanding of how organisational context and institutional forces, in parallel with cognitive issues, impact firm-internal knowledge sharing in multinational corporations (MNC).

The following section discusses factors that MNC will have to manage and deal with in their endeavours to distribute and share knowledge internally in their organisations. The empirical case studies are then presented, based on the relevant constructs identified in the theoretical part. The paper centres upon two qualitative case studies, furniture giant IKEA, and European paper packaging leader SCA Packaging, and their efforts to share knowledge across hundreds of local units worldwide. In the case of IKEA, the key concern is to make sure new stores across the world adhere to core IKEA principles, work methods and

standard offerings while still adapting to local market preferences. In the SCA case, the challenge lies in distributing experiences and hardcore production knowledge across 250 relatively autonomous profit centre packaging plants in Europe. Finally, lessons learned from the two cases are compared with theory and key observations are highlighted in order to discuss and extend current theory.

THEORY

There are different groups of factors that make or break knowledge sharing ventures. One such group focuses on *cognitive issues*. An early study by Epple, Argote & Devadas (1991) reported that knowledge is not entirely possible to transfer only through technology, human interaction is necessary as well. Epple et al. identified two factors, *training* and *geographical proximity* between source and recipient of knowledge, as important factors. In a subsequent study by Epple, Argote & Murphy (1996), the authors conjecture that the *managerial and engineering attention* paid to the recipient of knowledge are important factors. Darr, Argote & Epple (1996) studied knowledge sharing between franchise pizza stores within a corporation, and found that *the level of communication* (phone calls, meetings and personal acquaintances) is more intensive within than across groups of franchise stores. In their study of hotels on Manhattan during 1898-1980, Ingram and Baum (1997) found that among those hotels that had survived, many were part of hotel chains and had survived partly because of their access to knowledge elsewhere within the chain. *Chain affiliation* enabled hotels to learn more than independent competitors about operating matters and strategic responses to changes in the environment. Gertler (2003) claims however that before we are to understand the impact of (geographical) proximity, it is important to understand how tacit knowledge is created.

von Hippel (1994) focuses on *the nature of knowledge* when explaining knowledge sharing success. Information is "sticky" when it is costly to acquire, transfer and use in a new location. Under such conditions, problem solving tends to be concentrated in one location (i.e. knowledge is not shared), or solved interdependently by involved units. One

of the most comprehensive studies of internal knowledge sharing was conducted by Szulanski (1996), who found that the three most important factors were *absorptive capacity at the recipient*, *causal ambiguity* and *arduous relationships* between sources and recipients of knowledge. Causal ambiguity is equated by the inability to map the relation between a capability and a performance outcome, and is thus an effect of the characteristics of the knowledge. Absorptive capacity (Cohen & Levinthal, 1990) is driven by existing stocks of knowledge and manifest in an ability to evaluate, assimilate and apply the knowledge. Relationships are arduous if there is a lack of intimacy, i.e. if it is difficult or costly to communicate between different units. Since these factors are related to knowledge and communication rather than motivation, Szulanski concludes that incentive-based corrections will not help knowledge sharing much. This was also emphasised in a subsequent study (Szulanski, 2000) and in Haas and Hansen's (2005) study of knowledge sharing in consulting firms, where too strong incentives on knowledge sharing made consulting sales teams use existing – obsolete – knowledge rather than making a new analysis. On the cognitive track, Simonin (1999) discusses the role of causal ambiguity in knowledge *transfer* (dependent variable) in alliances. Simonin, unsurprisingly, finds that ambiguity is negatively associated with transfer, but also identifies, empirically, some of the drivers of ambiguity. *Tacitness*, referred to as the implicit and uncodifiable accumulation of skills, is one such driver, as is *complexity* (referring to the number of interdependent technologies, routines and individuals linked to the knowledge). Consequently, *experience* was found to be negatively correlated with ambiguity. However, there is a debate amongst economists on the dimension of tacit and explicit knowledge. While Cowan et al (2000) argue that reducing tacit to codified knowledge is a matter of economic consideration, Johnson et al (2002) argue that it is difficult to separate tacit and explicit knowledge and that the process of codification does not always result in progress. However, it is stressed that the process of trying to *codify tacit knowledge* may stimulate learning and knowledge sharing.

With regards to the second group of factors, *organisational context*, Simonin (1999) also found that *cultural distance* (differences in the view on collaboration) and *organisational distance* (differences in business practices, institutional heritage and organisational culture)

are positively associated with ambiguity. Similarly, Argote and Ingram (2000) conclude that *social subnetworks* is a major factor in transferring knowledge. In their study of product development projects, Hoopes and Postrel (1999) suggested that intraorganisational *integration*, i.e. the sharing of knowledge, cooperation and coordination, helps prevent from so-called glitches, i.e. project errors caused "by a lack of interfunctional or interspecialty knowledge about problem constraints" (ibid., p 843). Knowledge sharing is stimulated by *intensive integrative practices* such as cross-functional meetings, early development of specifications and broad participation from multiple functions. Walczak (2005) found that a management structure that facilitates knowledge sharing must recognize the importance of both vertical and horizontal sharing. By *supporting decision-making of knowledge workers* through collaboration and interaction with other knowledge workers a "knowledge culture" is created (Walczak, 2005:338) *Social capital* in networks, referring to a firm's set of relationships, has been established as an important factor in knowledge sharing (Inkpen & Tsang, 2005). They claim that personnel transfer, decentralisation, shared vision, the acceptance of local cultures, and trust, are important organisational characteristics of social capital, in intra-organisational sharing ventures. Levin and Cross (2004) also address the role of *trust*, emphasising that knowledge sharing ultimately depends on relations between individuals. Similar conclusions are drawn in two studies by Tsai (2000, 2001), which identify *absorptive capacity*, *strategic relatedness*, so-called *network centrality* (number of firm-internal linkages to a unit) and *perceived trustworthyness* as factors. Kane, Argote and Levine (2005) also underline the role of *perceived identity*, i.e. to what extent a person who shares his or her knowledge is perceived as competent, among people who attempt to share knowledge. Recipients of knowledge have a tendency to reject new routines if the source of the knowledge behind the new routine is not perceived as having a similar identity, i.e. the competence required (Kane et al 2005). Similarly, Reagans and McEvily (2003) underline the importance of *social cohesion* around a relationship. Social cohesion drives the will to invest time and effort in sharing knowledge.

Motivational aspects or *institutional forces* is a third group of factors for knowledge sharing. As pointed out by Gertler (2003) context, culture as well as institutional forces

needs to be incorporated to the analysis for an increased understanding of factors for knowledge sharing. "*The barriers that matter the most in these situations are less cognitive and more institutional in origin*" (Gertler, 2003:95). Partly in contrast to Szulanski's (1996) and Haas and Hansen's (2005) findings, Gupta and Govindarajan (2000) found that *motivational aspects* were important, both at the source and recipient of knowledge. And while trust and similar identities (see above) can be treated as institutional forces behind the will to share, there are other mechanisms related to motivation. Kalling and Styhre (2003) claim that the will to share, and particularly so to absorb knowledge is a root factor behind successful knowledge sharing. If top management and staff *want* to share knowledge, to reach a strategic objective or to develop one's own skills, chances are greater that organisational issues will be addressed and resolved, and that cognitive obstacles are identified and managed. In a voluntarist organisational environment, employees will not always accept new knowledge. Stein & Ridderstråle (2001) also emphasised the importance of will on behalf of both the source and recipient in sharing ventures. Syed-Ikhsan and Rowland (2004) found that a supportive organizational context and *culture*, i.e. a culture where the norms and values of decision-makers and employees favour openness and sharing, is associated with success. In that respect, the will and not just the ability to share, emphasised. However, given the scepticism regarding motivation, of e.g. Szulanski (1996) and Haas and Hansen (2005), there might be an optimum point, after which increased motivation can damage the success of knowledge sharing. Walczak (2005) argue that *motivation* is important to support a knowledge sharing culture. However, rather than individual motivation it is important to motivate the organizational structure and reward groups, rather than individuals, for sharing knowledge within a group but also between groups.

In addition to literature on knowledge sharing, research into (MNC) and internationalisation processes also focus activities that facilitate or obstruct the sharing of knowledge in large organisations. Gupta and Govindarajan (2000) for instance, claim that MNCs exist primarily because they can share and exploit knowledge more effectively internally than with interaction with the external market. Research on MNC view knowledge sharing as an expression of growth of the firm and strategy for being competitive (eg Kogut & Zander, 1993, 2003; Jensen & Szulanski, 2004; Schlegelmilch &

Chini, 2003). Jensen & Szulanski (2004) argue that the issue of knowledge sharing within MNC is especially interesting since know-how and technology are frequently shared between the parent company and the subsidiaries as well as between subsidiaries. Still, given the importance of knowledge sharing for MNC there are surprisingly few researchers that have focused on the determinant factors for knowledge sharing (Gupta & Govindarajan, 2000). As suggested by Jensen & Szulanski (2004:519) there is a need for more research on the process of knowledge sharing across borders and factors driving knowledge sharing especially since the sharing of firm-specific assets seem to be a prerequisite for the success of MNC.

Previous studies on MNC have focused on investigating specific knowledge factors of knowledge sharing within MNC, such as *tacit knowledge* (eg Jensen & Szulanski, 2004; Teece, 1977; Zander & Kogut, 1995) More recent research on MNC and knowledge sharing has drawn attention to institutional forces and organizational context. Kane et al (2005) who studied knowledge sharing between groups via *personal rotation* in MNC found that a shared social identity is an important factor. Personal rotation by expatriates in MNC is an important method for replicating organizational routines and for sharing knowledge across national and organizational boundaries (Lyles & Salk, 1996). However, as pointed out by Tsang (1999) *expatriation* may also be a barrier to knowledge sharing if the MNC tend to be too home-country oriented expatriation or if there are cultural differences between the local employees and the expatriates. As previously mentioned, Gupta and Govindarajan (2000) focus on *motivational aspects* as important for knowledge sharing in MNC. Taking an institutional perspective on knowledge sharing Jensen & Szulanski (2004) found that adaptation may be a barrier to knowledge sharing, ie contrary to their expectations that adaptation would increase both cognitive and normative legitimacy resulting in recipient motivation and ability to accept and utilise transferred assets. Thus, it is possible that replication may be one explanatory factor to successful knowledge sharing. This is in line with Winter and Szulanski's (2001:731) argument that a replicating firm develop certain capabilities, as instituionalized, to routinize knowledge sharing.

Furtermore, in order to understand MNC research focusing the internationalization process is important to look into. Research on internationalization has for a long time focused on knowledge and organizational learning as determinants for international operation such as the theory of MNC (eg Buckley & Casson, 1976; Hymer, 1976) and the behavioral theory of MNC (eg Ahroni, 1966; Johanson & Vahlne, 1977, 1990). The Johanson and Vahlne (1977, 1990) model is one of the most cited internationalization frameworks. It assumes that a company does not have full access to information and that internationalization is a process of increasing experiential knowledge. However, the model has been criticized for neither explaining knowledge nor the process for knowledge sharing. Several researchers have stressed the need for additional research and a more in-depth understanding of the the nature of knowledge and how it is shared in the internationalization process (eg Blomstermo & Sharma, 2003; Forsgren, 2002; Petersen et al, 2003). In line with their argument this supports the relevance of further investigation of factors for knowledge sharing by focusing on MNC and the specific challenges that a multinational organizations faces in terms of sharing knowledge between national borders.

To summarise, the literature on knowledge sharing and MNC is described in Table I, where we have structured contributions in relation to knowledge, organisational and institutional factors. All in all, there is a growing interest on organizational context and institutional forces in research on knowledge sharing. The following section will further investigate the factors outlined in the cases of IKEA and SCA.

TABLE I: Theoretical Framework: Factors Determining Knowledge Sharing Success

Knowledge	Organizational context	Institutional forces
Training (Epple, Argote & Devadas, 1991)	Geographical proximity (Epple et al, 1991)	Motivational aspects (Gupta & Govindarajan (2000)
Managerial and engineering attention (Epple, Argote & Murphy, 1996)	Geography and the level of communication (Darr, Argote & Epple, 1996),	Perceived trustworthyness (Tsai, 2000, 2001)
"Stickyness" (von Hippel, 1994)	Chain affiliation (Ingram & Baum, 1997).	Perceived identity similarities (Kane, Argote & Levine, 2005)
Tacitness and complexity (Simonin, 1999; Jensen & Szulanski, 2004;Teece, 1977; Zander & Kogut, 1995))	Arduous relationships (Szulanski, 1996; Haas & Hansen, 2005)	
		Trust (Levin & Cross, 2004; Tsai, 2000, 2001)
Codifying tacit knowledge (Cowan et al, 2000; Johnson et al, 2002)	Cultural distance and organisational distance (Simonin, 1999)	Individual and Top management motivation (Kalling & Styhre, 2003)
Causal ambiguity (Szulanski, 1996, 2000)	Social subnetworks (Argote & Ingram, 2000)	Source and recipient will to share (Stein & Ridderstråle, 2001)
Absorptive capacity (Cohen & Levinthal, 1990, Szulanski, 1996, 2000; Tsai, 2001, 2001)	Social capital (Inkpen & Tsang, 2005)	Institutional forces (Gertler, 2003)
	Intraorganisational integration (Bartlett & Ghosal, 1988; Hoopes & Postrel ,1999)	A sharing culture (Syed-Ikhsan & Rowland, 2004; Gertler, 2003)
	Richness of transmission channels (Gupta & Govindarajan, 2000)	Social cohesion (Reagans & McEvily, 2003)
	Personnel rotation, decentralisation, shared vision (Inkpen & Tsang, 2005; Kane, Argote & Levine, 2005;Lyles & Salk, 1996)	Adaptation or organizational routines (Jensen & Szulanski, 2004)
	Expatriation (Tsang. 1999)	
	Strategic relatedness (Tsai, 2000, 2001)	
	Network centrality (Tsai, 2000, 2001)	
	Supportive structure (Walczak, 2005; Syed-Ikhsan & Rowland, 2004)	

METHOD

This paper focuses on two qualitative case studies about knowledge sharing in IKEA and SCA Packaging (SCAP). Both cases may be regarded as unique and critical cases, which make them especially interesting to study (Yin, 1994). The cases draw on a priori theory (see e.g. Miles, 1979; Eisenhardt, 1989; Yin, 1994, for a discussion of the benefits of using and positioning in relation to existing theory in case research) and thus take a starting point in the theories described above. This implies that the empirical findings are partly gathered, presented and "coloured" by the structure of the framework.

The Case Companies

IKEA is the biggest global furniture retail company with 228 stores in 33 countries and employs 90 000 people. Of these stores, 204 stores in 24 countries belong to the IKEA Group and the remaining are owned and run by franchisees outside the IKEA Group.

Sales for the IKEA Group for the financial year 2005 totalled 14.8 billion EUR. In 2006 the IKEA Group plans to open 19 new stores in ten different countries. IKEA was founded by Ingvar Kamprad in 1943 and is today owned by a foundation, the Stichting INGKA Foundation. INGKA Holding B.V. is the ultimate parent company for all IKEA Group companies, including the industrial group Swedwood, which manufactures IKEA furniture, the sales companies that run the stores, as well as purchasing and supply functions, and IKEA of Sweden, which is responsible for the design and development of products in the IKEA range. Being owned by a private foundation enables IKEA to grow in its own pace knowledge sharing is central to IKEA's expansion and for securing the IKEA way of doing business, which further makes it an interesting case to study. The reported case describes routines and processes for working with knowledge sharing within IKEA. Since IKEA does not have a special programme or function responsible for knowledge sharing it was important to understand the process of knowledge sharing in relation to a certain process. The internationalization process is especially interesting to study since there are certain challenges to knowledge sharing across national and intra-organizational boundaries. Knowledge sharing is central to IKEA's expansion and for securing the IKEA way of doing business.

SCAP (a subsidiary to SCA, which is quoted on the Stockholm and London stock exchange markets) is a leading European producer of corrugated paper packaging, with an annual sales turnover of three billion EUR. It has some 275 production units and employs 18,000 people. The reported case describes a corporate-spanning knowledge sharing programme initiated in SCAP in 1997. The objective of the programme is to spread best production practices throughout the plants. For this study we included 38 so-called "box plants" within the company. Box plants are the largest type of production unit. The 38 plants (all profit centres) are spread across Ireland, the UK, France, Italy, Switzerland, Germany, Austria, Belgium, the Netherlands, Denmark and Sweden. The knowledge inherent in the programme is absorbed both internally (from knowledgeable plants) and externally (from the field of science, consultants, alliance partners, machine suppliers etc.), and is continuously growing and updated. Within the programme, knowledge is articulated as production methods and procedures, or as recommendations,

suitable under certain conditions. Methods are documented in memos, reports and in databases, accessible over the corporate intranet and direct distribution. Three basic outputs are measured per machine: average machine speed, direct productivity and waste; these results are reported monthly from plants to the head office. Each machine team sets targets annually, and follows up their performance regularly (monthly, quarterly or annually). Benchmarking is made feasible, and plants who want to improve performance on a particular machine can easily track sister plants across Europe who are performing well on that machine, and approach them for their experience and solutions. Successful machine teams are awarded annually, on the basis of their improvements, at an award ceremony attended by top management and runner-up machine teams. The programme is administered centrally, by a technical department, including technical experts as well as one data administrator. At plant level, the production manager is normally responsible for internal communications and the performance.

Research Design

The empirical data was mainly gathered through semi-structured interviews. 53 in-depth interviews were made with IKEA and 34 with SCAP. In addition corporate material such as documents and manuals were collected.

In the IKEA case interviews were made at corporate level in Sweden and on market level in Russia, China and Japan. The aim was to understand success and failure factors to knowledge sharing in relation to the international expansion of IKEA. In each country interviews were made with employees from different parts of the organization encompassing managers at national service office and store managers as well as employees responsible for certain product categories in the store. In addition, interviews were conducted at the global service office in Sweden as well as with IKEA of Sweden, IKEA Trading & Distribution and IKEA Inter Services AB with focus on IKEA's internationalization approach, strategic orientation, culture and values as well as strategies for knowledge sharing. These interviews provided a background for interpreting the data collected in the three IKEA countries and for analysing the success and failure factors for knowledge sharing within IKEA.

In the SCAP case interviews were made at six plants with different degrees of success were singled out for onsite case studies (in the UK, Germany, Sweden and Belgium). The aim was to track the local success and failure factors, throughout different stages of the causal chain. At each plant interviews were made with the general manager, the production manager, the sales manager, a supervisor, and an operator. Interviews were semi-structured, including both closed questions and open questions to ensure exploration. In addition interviews with representatives of top management, including the programme manager, were made.

Yin's (1994) "pattern-matching" method of analysis is applied, whereby the empirical patterns of the cases are compared with those of theory. To strengthen reliability, we used inter-rating (by fellow researchers) in instances where accounts were unclear, as well as respondent validation (Van de Ven & Poole, 1990).

EMPIRICAL FINDINGS

The empirical material is structured in accordance with the three factors outlined in the theory section, ie focusing on knowledge factors, organizational context and institutional forces.

As stated, focus in these cases is not primarily on *knowledge factors*. Nonetheless, a couple of observations need to be addressed. In both cases, the character of knowledge is important, and both companies share, relatively explicit knowledge. Hence the documentation of routines, manuals, and advice are made available electronically via the intranet and physically via subnetworks. For more tacit pieces of knowledge, experienced and expert employees play an important role by migrating within the organizations and sharing their specific knowledge ad hoc. It is interesting to note that whereas there is an awareness about the distinction about explicit and tacit knowledge in SCAP this is not explicitly expressed in the interviews with IKEA. Although IKEA does not have a special program or function responsible for knowledge sharing there are different routines for

evaluating knowledge sharing. "Commercial review" is an internal tool for measuring how the IKEA concept is followed in the IKEA countries and within different functions. Best practices found from the review process are then published on the intranet or in the manuals provided by Inter IKEA Systems B.V. To SCAP, a lot of the knowledge required to run machines effectively is considered tacit, very much based on experience. Respondents claim it is not easy to start working directly, fresh out of school or "from the street". However, respondents also claimed it is relatively easy to learn how to run a machine, and more so if workplace rotation is limited, allowing for concentration and focus. This is also illustrated in the IKEA case. It is clear that the IKEA corporate culture is very important both in terms of tacit knowledge and as a method for knowledge sharing. Training is a very important tool in order to be able to share the corporate culture and ways of running an IKEA store the IKEA way. Each new employee gets an introduction program for one week to know about the organisation, history, culture, and forms for working at IKEA stressing the importance of knowledge sharing. Also, in order to be able to grow rapidly the normal setup is to run special training programs for new employees running from about 2-6 months. New employees are educated in a store, a learning center, as aprentices before they are sent to work in another new IKEA store.

Re causal ambiguity, one other factor in the SCAP case was that although local staff could understand what they were supposed to do in relation to production, they often did not see the purpose. In short, they did not see any *meaning* with working hard to take in new knowledge, other than that someone at head office had asked them to. Certain units also misunderstood the program to be geared towards cost efficiency without concern for the quality of offerings. One plant manager said "*We don't care about the programme, we are focused on winning new customers at the moment*". Those who did succeed internalised the global idea of the program and fit it to their current situation. One manager in a plant that improved performance said: "*We cannot neglect production costs, and we also must ensure we have a reliable production capacity, and so we used the program to support what we should be doing anyway*". In short, a lack of perceived meaning and a lack of understanding of the potential results meant certain plants did not succeed very well. A problem that IKEA sometimes faces when entering new markets is that the IKEA management style or corporate culture is not always easily applicable to local standards.

Another problem is when well educated local employees sometimes are less capable of transferring this to practice. . This was especially obvious in new and distant markets such as China and Russia. Action learning together with experienced IKEA people was therefore regarded as very important. These observations illustrates that it is unlikely that knowledge sharing will succeed when local recipients do not see the company (or any) logic to knowledge sharing ventures.

In respect to knowledge factors, theory was, unsurprisingly, confirmed. Tacitness, absorptive capacity and causal ambiguity are important factors, but a) not always, and b) if they are, they are manageable. When knowledge is more tacit, direct dialogue and expert migration and documentation provide experience not otherwise available.

Considering *organisational context*, the successful plants in SCAP have to overcome challenges related to deep decentralisation, control mechanisms not in sync with the knowledge sharing programme, and limited support from line managers. Because local plants have a high degree of autonomy, the extent to which they partake depends on voluntarism. It is not demanded by line managers that plants shall exceed, knowledge sharing performance goes outside the "regular" control mechanisms (such as monthly EBIT). This means that, often, long-term investments in bringing in knowledge locally are offset by short term financial demands through the regular chain of command. Successful units overcome this potential dilemma by linking knowledge sharing targets with the financial control factors, and by treating them as complementary. In that respect, cultural and organisational distance is more of an issue than proximity, networking and transmission channels. One local SCAP site manager said that "*there is little incentive to work hard if the targets are not combined with the regular financials*". Furthermore, local programme management made a difference. The idea was to make annual plans and targets and follow up at least monthly. Shift teams would then use actual data and discuss it within teams. Successful plants did so, but less successful did not. A key factor was to which extent the plant manager got involved. In one successful plant, the manager said: "*I communicate with our production people on a daily basis about performance, and then we follow it up on a monthly basis. We have broken down annual targets into monthly to achieve better control.*"

In the IKEA case, knowledge sharing is supported by a matrix organization securing that knowledge is shared throughout the organization. Knowledge is shared line-wise in each store and country respectively. Function-wise knowledge is shared through a service office in each country to a global service office and through annual functional meetings. However, it is stressed that personal networks are crucial in order to share relevant knowledge and not to go astray in the matrix. "*The further away from Sweden or Älmhult that you are situated the more important it is to have a good network*". Having expatriates is very important and especially in new and more distant markets. The Russian country manager argued that; "*If we are going to build a good IKEA then we can only do it with people who know what IKEA is. A very common IKEA-way to think is to be cost saving. We shall be cost saving, but that would be to save in the wrong end. Because of you try to build something with a few people that have IKEA experience and the reason for having foreigners here is for the simple reason that there are no Russians with IKEA experience. So it has nothing to do with passports but rather the IKEA experience. And these foreigners are the guarantee for us to make an IKEA with high quality*". Furthermore, the career path within IKEA encourages employees to step aside and try new functions rather than to do a linear career. This is also important in order to understand the IKEA concept and business idea. Still, the majority of IKEA's employees are part-time employees working in the stores. Reaching these employees and encouraging them to share knowledge is a real challenge to IKEA. Having a "buddy", an experienced IKEA employee, is one solution for IKEA to be able to educate new employees the IKEA way of doing business and to share their knowledge about IKEA.

Institutional forces are highly important in both cases. In the SCA case, progress has been driven by the technical department at head office. The will to take in new knowledge is stronger among successful plants: they are more active in searching for new knowledge; they set and monitor annual and monthly plans for projects; they also sense an urgency to improve – something less successful plants fail with. The same is valid on group level. Plants who set targets for knowledge sharing along with the financial targets succeed more strongly. Plants who commit themselves to improving performance by setting targets and making plans achieve better results. In a sense, the will to be better in production is what

matters. The will, in this case, is represented by the local management team and the ways it controls the unit. One manager in a successful plant says: "*Generally, the initial buzz is gone. It is institutionalised now. It is not just a tool, it is a way of life.*"

Another institutional force is related to the local view on competition. Whereas less successful units claim the programme is just another way for top management to increase control, more successful units display a more positive attitude to competition. One quote underlining this comes from an operator in a successful plant located in the old communist Europe: "*In Eastern Germany we are used to socialistic competition. We are used to being benchmarked and compared, and to setting targets and making plans. It is not new to us, we did it in the old days as well.*" The local aspiration turned levels out to differ between successful and less successful plants. Less successful plants typically had a history of prosperity and higher profitability levels, and so lacked the incentive that plants in less favourable financial situations had. The company decided to award improvements as a means to incite units who made progress. This worked well for many units with a more distressed financial situation.

One interesting observation is that successful plants accept that certain pieces of knowledge are tacit, but that energy and commitment can overcome such obstacles. One production manager said: "*We need to view production knowledge less as an art and more as science. Only the lazy claim it is tacit*". The view of respondents on the nature of knowledge differed among plants. As part of the purpose of the programme is to articulate and externalise knowledge, there is an implicit view that tacit knowledge can be dealt with, and that energy could help convert it into something useful. Yet less successful units claim it is more or less impossible to make significant transfers just like that. "*We have a complex process that we can't write down. There are too many parameters to think of. We once tried to list all the parameters to consider, but it is impossible.*" It almost surfaces as an excuse for not dealing with improvements. Respondents in plants that improved their production performance underlined the role of will and motivation and made statements such as "*quite a lot can be written down*" and "*motivation drives learning here*".

Less competition can be found within IKEA since the individual's motivation to share knowledge with colleagues is rewarded by different career opportunities within the IKEA Group. Rather than to motivate for a linear career IKEA encourages employees to step aside and try new functions. As such in the IKEA case, institutional forces are perhaps even more evident since knowledge sharing actually is part of the corporate culture and concept. Being a foundation with long-term strategies enables the organization to work with knowledge sharing at all levels of the organization securing that everybody can identify with the IKEA concept. This is especially important when IKEA enters a new market in order to secure replication as a strategy of a standardised retail offer. One important role that expatriates have is to educate and share their knowledge about the IKEA concept with local employees in a new market.

Knowledge sharing is part of the routines within IKEA. In IKEA HR policy it is clearly stated that "*As an IKEA employee you are willing to share your knowledge and experience with all IKEA employees*". Knowledge sharing is part of Ingvar Kamprad's, the founder of IKEA, mission to be cost-efficient as part of the concept, securing that the same ideas are not re-invented. One HR manager describes knowledge sharing as; "*Do we have a systematic way of how to share, how to grow people's inside values and visions and so on... [...]I think we have a lot of strong activities around it but to be honest we don't work systematically with... Because it is so much, for instance in Älmhult, it is so much to be in IKEA, to live here and to work here. So in some sense it just not only has to be emphasised here and there, but it is a living organism that feeds itself.*" Clearly, the best alternative is to have a (institutionalised) routine, like IKEA, where all participants are aware of what is expected of them.

For SCAP, managing knowledge sharing as a programme requires a lot of effort and administrative work, as well as specific incentives related to the programme performance. Goal-setting and monitoring, rewards management, and interdependencies with regular means of performance measurement were examples of managerial issues. As a consequence, there was little correlation between developments of knowledge sharing performance and financial performance. Furthermore, when IKEA shares knowledge, they do so with greenfield units – SCAP does it with acquired units where culture is often

strong. The main task becomes to get a buy-in from relatively autonomous plants. This further emphasises the importance of institutionalising knowledge sharing, of driving it, or at least attempting at driving it, to become a core part of the culture.

In the IKEA case it is important to stress that IKEA is "one IKEA" in order to make all employees aware of the business process and the IKEA concept. "*In general we are better at creating good, new solutions that we are making sure these solutions are carries out quickly and well. This is one of the main reasons behind our priority of creating 'One IKEA', where all of us pull together in the same direction.*" Being an open organization is also important for IKEA. One of the managers put forward that being an open organization is a key factor in IKEA's ability to motivate employees to share knowledge. One example of being an open organization was that there is very few rooms with doors that can be closed. Another example was that all information about new projects, vacancies, sales etc is provided in wallpapers and corporate newsletters. In order to be able to have an open IKEA it was argued that employees must not be afraid of making mistakes but rather to use their own initiative and be problem solving. Trust on an individual level was emphasised by many respondents as a key word when discussing motivation and methods for how to create a knowledge sharing culture. Russian as well as Chinese management style is very different from IKEA management style, which may hinder knowledge sharing. Local people are not used to share the knowledge since they have in most cases relied on their individual achievements. Another factor often stressed was that the IKEA employee should have broad knowledge of the organization and understand the IKEA process. The career policy and reward mechanisms are also prominent enablers for knowledge sharing, encouraging employees to step aside and try to learn new tasks and not to just move upwards in a linear manner.One store manager argued that knowledge sharing is part of the employees' task and that knowledge sharing is all about securing that things runs smoothly; "[…] *knowledge sharing and developing people is more to secure that the certain things are running, and of course to secure things is a big machinery. No, I don't see barriers, knowledge sharing is part of the task*

DISCUSSION

Although IKEA and SCAP are different in many ways, there are several similarities with regards to the factors that drive knowledge sharing. With regards to differences the most obvious difference is that whereas SCAP runs a special knowledge management programme initiated as a project, IKEA does not have a special programme or function responsible for knowledge sharing. Knowledge sharing is part of the routines within IKEA. In IKEA HR policy it is clearly stated that "*As an IKEA co-worker you are willing to share your knowledge and experience with all IKEA co-workers*". Knowledge sharing is part of Ingvar Kamprad's, the founder of IKEA, mission to be cost-efficient as part of the concept, securing that the same ideas are not re-invented. Clearly, the best alternative is to have a (institutionalised) routine, like IKEA, where all participants are aware of what is expected of them. For SCAP, managing knowledge sharing as a programme requires a lot of effort and administrative work, as well as specific incentives related to the programme performance. Goal-setting and monitoring, rewards management, and interdependencies with regular means of performance measurement were examples of managerial issues. As a consequence, there was little correlation between developments of knowledge sharing performance and financial performance. Yet those plants that did succeed also indicated that they had "institutionalised" the routines included in the programme. Furthermore, when IKEA shares knowledge, they do so with greenfield units – SCAP does it with acquired units where culture is often strong. The main task becomes to get a buy-in from relatively autonomous plants. This further emphasises the importance of institutionalising knowledge sharing, of driving it, or at least attempting at driving it, to become a core part of the culture.

Discussing similarities, it is noteworthy that the obstacles to overcome are relatively common. We hypothesised that cognition, organisation and institutions would make a difference, and that particularly organisation and institutional forces would be important. With regards to cognition, the cases showed, as expected, that the degree of tacitness was important, and that efforts to externalise knowledge can be successful. Firms should not always refrain from explicating and sharing knowledge. Rather, it is a matter of strategic choice, and being prepared to take the costs for modifying tacit knowledge. We also saw

that causal ambiguity is important in both cases, and that the "transfer of logic" across boundaries is important in order to provide a meaning with knowledge sharing to those involved.

What is perhaps more interesting from a theoretical point of view is the importance of organisational factors and even more so institutional factors. In overarching terms, a clear and well-communicated logic, designed routines, structure and responsibility appear important. In relation to theory, this study contributes with a detail to organisational issues, and also highlights the importance of key concepts such as structure and control, as well as organizational culture, and how they influence knowledge sharing ventures. Setting targets and making plans, and designing routines are central, but not listed, specifically, in knowledge sharing literature, whereas this study shows their impact.

Considering institutional forces, we would argue that the findings here actually indicate that institutional forces make out some form of "root factor", upon which both organisation and cognitive factors depend. Without the will to share among top and middle management (those who have the power to make investment decisions and thus provide meaning and purpose), local management as well as operators (i.e. recipients and sources of knowledge) nothing is likely to happen. Furthermore, in the presence of cognitive and organisational obstacles, motivation, energy and will can help create premises needed to overcome such obstacles to knowledge sharing. Logically, it makes sense, given the assumption that tacit knowledge is not permanently tacit – it is rather a question of time and energy. While there possibly can exist over-commitment to motivation, we argue that we need to understand the role of will more thoroughly. Literature on motivation within knowledge sharing is relatively scarce (and some, like Szulanski, 1996, actually see it as negative), and those who write about it often see it as a separate factor, not as something fundamental to both cognition and organisation. In that respect, this study provides novel perspective on the significance and causal mechanics of the will to share knowledge.

CONCLUSION

This paper is based on two case studies and factors for knowledge sharing. Obviously, the aspects stressed here need to be investigated in greater detail. No generalizations can be made without further studies. However, the study shows that *organizational context* and *institutional forces* are important factors for knowledge sharing. The *will,* not just the ability, to share and absorb knowledge is very much influenced by internal and external institutional forces, as well as the ways in which organisations are structured and controlled. For sure, knowledge factors are prominent here as well, but what we find more interesting is the influence of the structural context and norms and values at group and individual level. In organisations where people cannot be commanded and where there is voluntarism, organisation leaders cannot expect perfect alignment and optimal use of knowledge at hand from any part of staff. Individuals, including strategists, middle and top managers as well as the operative staff need to generate a will to change and improve and to share knowledge with others.

Despite the commonalities between the two cases identified above, there are differences further underlining the importance of creating a shared view on the need for knowledge sharing. While IKEA has institutionalised knowledge sharing, a decentralised organisation such as SCAP has to work harder in special projects on getting acceptance among employees and managers for it. Nonetheless this finding underlines our argument that institutionalisation is important.

These issues require greater exploration by means of comparative studies between different industries and owner-ship structures. In its extension we would also argue, that while this observation may be intuitive, much of the literature on knowledge sharing neglects the role of will and the need to combine the knowledge sharing exercise with the organisational context. In that respect, this study supports the work of e.g. Gupta and Govindarajan (2000), Tsai (2000), Gertler (2003), Walczak (2005) and Kane et al (2005). Furthermore, we suggest that future research put more emphasis on organisational context and institutional forces - parallel to cognition and as root causes.

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