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Abstract

This paper reviews current research on knowledge management and knowledge transfer in the context of innovations. Specific attention is focussed on the integration of management perspectives into tourism research. The paper explores some of the key mechanisms and conduits of knowledge transfer within tourism. In doing so it explores such concepts as interlocking directorships, communities of practice, learning regions and labour mobility. There is also an emerging research agenda on knowledge management within tourism but progress is variable with most research being within the hotel sector, where a range of recent studies have examined aspects of knowledge transfer. The paper also draws attention to the need to give closer attention to the nature of innovations within tourism and to consider these in a knowledge management framework.

Keywords: Knowledge Management, Knowledge Transfer, Innovations.

Introduction

An increasing range of disciplines have drawn attention both to the significance of knowledge and its various codified and explicit forms in terms of business success (Nonaka 1991; Grant 1996 and McElroy 2003). Much of the focus has been not only on the handling of different types of knowledge but also on aspects of knowledge transfer and in particular how innovations

in new technologies, business practices and methods are incorporated into different organisations (Tidd, Bessant and Pavitt 2005). For most observers it is the ‘knowledge embedded in the interactions of people, tools and tasks [that] provides a basis for competitive advantage in firms’, (Argote and Ingram 2000: 150). Emphasis has therefore been placed on two key areas; namely, the importance of knowledge within the firm and second how various types of knowledge are moved between, as well as within, different organisations. In terms of the former, recent interest has drawn attention to what McElroy (2003) defines as ‘new knowledge management’ which is part of a second generation of managing knowledge processes based around more holistic views of what constitutes knowledge and management. Work on knowledge transfer has in turn emphasized forms of knowledge, the movement between firms and the ability of large multinational organisations to move knowledge internally via intra-organisational networks (Tsai 2001). Knowledge transfer between or into small firms has received relatively less emphasis, although there is an emerging literature in this context (Thorpe et.al. 2005).

Set against the outpouring of papers on knowledge management and knowledge transfer within the general business literature, work within the tourism sector has, until recently, been lagging. There are a number of reasons for this relating to the partial decoupling historically of research in tourism and hospitality from that in generic management and social science research (Saw and Williams 2004), a prevailing and generalised neglect of ‘low-tech’ sectors (Hirsch-Kreinsen, Jacobson and Robertson 2006), whether tourism or say retailing, in innovation studies, and the relative neglect of small firms in the literature on knowledge management, as noted above. Thorpe et al (2005: 261) emphasise that because research on SMEs has been driven by a resource based view of the firm, much of the focus on knowledge transfer has over-emphasised entrepreneurial orientation. There are signs of change as exemplified by Hjalager’s (2002) work and Cooper’s (2006) review which have provided constructive attempts to explore aspects of knowledge management within tourism (see also Boucken and Sungsoo, 2002; Hall and Williams 2008, chapter three). The aim of our paper is to extend some of the ideas set out by

Cooper and Hjalager into a wider research agenda. In particular we give greater emphasis to notions of knowledge transfer and move away from the rather limited view initially expressed by Stamboulis and Skayannis (2003). By contrast our approach is to engage with an understanding of knowledge transfer within tourism, an important element in the performance, competitiveness and innovativeness of tourism organizations. This aims to extend Cooper's earlier discussion through a greater emphasis on the mechanisms of transfer. We start with a short discussion of some of the main ideas surrounding the competitive advantage provided by knowledge at the firm level before going on to examine in more detail perspectives on knowledge transfer with reference to tourism organisations. The final part of the paper attempts to outline an emerging research agenda for the study of knowledge within the tourism sector. Throughout the paper we draw on examples from the hotel industry which provides the opportunity to connect with wider debates on knowledge transfer within the management studies literature.

### Knowledge and Competitive Advantage

There has long been a recognition of the key role that knowledge plays in the performance of organisations. Druckers (1993:38) widely quoted conclusion from his seminal study that 'knowledge is the only meaningful resource today' is of course an exaggeration. However, it is a message that increasingly resonates throughout the literature on competitiveness and performance. For example, Welch (2001:21) asserts that ultimate competitive advantage lies in the ability to learn, to transfer that learning across components, and to act on it quickly'. Much of the debate within the literature has revolved around the nature of knowledge and how it is held within organisations. According to Argote and Ingram (2003: 153) 'knowledge is embedded in the three basic elements of organisations-members, tools and tasks'. They go on to argue that there are also important sub-networks created by combining these different elements and, in this sense, knowledge is embedded within these various organisational networks (Argote 1993). Finally, they stress that, in this context, the notion of 'knowledge reservoirs' is

important, providing insights into ‘why some types of knowledge are difficult to transfer within the organisation’ (p.156) – one of the most enduring conundrums within the research on knowledge management. This notion of ‘knowledge reservoirs’ also implies that knowledge is available to be drawn on at any time although it begs the question of how this is to be realised most effectively.

As indicated earlier, the management literature has also given considerable emphasis to the types of knowledge available to organisations. At the broadest level discussions have focussed on the division between explicit and tacit knowledge (Polyanyi 1958, 1966). Nonaka (1994) argued that knowledge can be explicit (know-that) or tacit (know-how). The former refers to knowledge that is relatively easily codified and transferred – potentially having the quality of public goods unless patented. In contrast, tacit knowledge is more difficult to formalise and, therefore, less easy to interpret and transfer from one individual to another, let alone from one organisation to another. These are of course interdependent since, as Brown and Duquid (2001:204) explain, knowledge ‘runs on rails laid by practice’ and there is tacit knowledge embedded within explicit knowledge, as well as being required to utilise it effectively.

Not surprisingly most attention has been given to tacit knowledge which, as Polyani (1996) explains, is intuitive, unarticulated and learned through collaborative experience. Given that it is difficult to imitate, this makes it a key source of competitive advantage for many organisations. There have been a number of attempts to deconstruct tacit knowledge as reviewed by Blackler et.al (1998). Of particular note here is that tacit knowledge may be held by individuals ‘in shared collaborative experiences and events’ (Cavusgil et.al 2003: p.8). Argote and Ingram (2000) view this via organisational networks within which such tacit knowledge is embedded and in their work the terminology of knowledge includes; competencies, capabilities, routines and innovations. Cavusgil et.al. (2003) stress that tacit knowledge can be found both at the individual level in particular skills, as well as within abstract forms and collectively which ‘typically resides in top management’ (p.9). Linking with

Argote and Ingram (2000) is the work of Nonaka (1994) who suggests that tacit knowledge is very often transformed into habit or routine within an organisation and consequently tends to be context-specific. According to Walsh and Ungson (1991) the contexts of knowledge retention within an organisation include: individuals, structures, organisational culture and the physical structure of the workplace – and by extension these also mediate knowledge transfer.

All these ideas are important to the tourism sector although as yet the limited existing research has tended to concentrate mainly on the hospitality industry (see also Hall & Williams 2008). Within this context the focus has been on the role of intellectual capital as a competitive advantage (Enz et.al. 2006), innovations in service quality (Kandampully and Duddy (1999) and more general organisational structures (Yang and Wan 2003; Yang 2007). However, there is also a growing body of Spanish studies focussing mainly on innovation, especially associated with technology, that has also – at least implicitly – posed questions about knowledge and knowledge transfer in the hotel sector (Jacob et.al 2003; Orfilia-Sintes et.al 2005; Orifila-Sintes and Mattsson 2007)

Drawing on a study of 563 US hotels, Enz et.al. (2006) argue that investments in intellectual capital have the greatest impact on profitability. Within their study the three main components of intellectual capital (knowledge) are:

- Human capital knowledge, skills and experience
- Systems capital, operational knowledge of the firm (including processes, policies and procedures)
- Customer capital – the value of a brand and its ability to attract and retain customers.

Of particular interest in their study is the level of knowledge held by all levels of workers, including service and professional employees together with support workers. Interestingly their research found that investing only in professional employees did not significantly influence profitability. In terms of intellectual capital and 'knowledge workers', Enz et.al. (2006) argue that although the literature highlights the importance of professional employees it fails to carry over such a perspective to service workers. This is mainly because such employees are considered easy to replace and add little to a firm's competitive advantage. In essence, the 'intellectual capital of service employees is little regarded even though they possess work-related knowledge' (Enz et.al. 2006: 8) essential to the hospitality industry. In contrast, this study argues that those hotels which invest in their front-line workers do achieve a significant competitive advantage. The retention of these 'knowledgeable' employees is therefore a critical economic resource and a core element (Kundo and Vora 2004).

More generally Soosay and Kandampully (2002) have argued that the significance of knowledge, especially of the tacit variety 'requires managers to rethink fundamental management practices' (p.636). This also echoes the arguments of Thompson et.al (2001) about the need to focus on 'the knowledgeable worker' – present in all sectors – as opposed to the fashionable but highly selective idea of the knowledge-based economy worker. The notion of the 'knowledgeable tourism worker' is relatively new to tourism, and can be difficult to reconcile with low wages and often precarious employment conditions which contribute to relatively high staff turnover rates (Riley et.al. 2002). For example, recent surveys of the hotel industry in the last five years in the UK suggest that the retention rate of service staff is on average around 50% (Miller 2007). In addition, the seasonal fluctuation of labour within many parts of the tourism sector acts to disperse knowledge away from particular firms (Hjalager 1999). Hjalager (2002) also points out that such a mobile workforce may help to transfer tacit knowledge, a process widely recognised in the literature on knowledge spillovers (Arrow 1962). However, as Levitt and March (1996) argue, the conversion of knowledge transfer into enhanced organizational performance could only happen if there was a favourable absorption

capacity for 'new' ideas. Unfortunately, research has yet to fully explain these ideas in the context of tourism and little is known about knowledge movement in terms of these mobile employees.

In contrast to this relative neglect of the knowledgeable worker in the tourism industry, there is an extensive generic human resource management literature that provides useful insights into knowledge transfer. Several studies have indicated that there is a positive relationship between selective human resources practices and organisational performance in the USA (e.g. Cappelli and Neumark 2001). Of particular note is the AMO paradigm which emphasises the importance of enhancing workers' ability, motivation and opportunity to participate in the decision-making process of the organisation Appelbaum *et al.* 2000) – that is treating them as knowledge assets within the firm. In this instance, firms would seek to recruit knowledgeable workers, motivate them to apply their knowledge via various forms of incentives, and provide opportunities for them to share such knowledge. While there is a unresolved debate as to whether human resource management practices have a greater impact on firms in manufacturing or the service sector, Bartel's (2000) argument that the importance of managing customer contacts makes such practices particularly important in the service sector is significant. In tourism, there is characteristically a lack of what may be termed knowledge-oriented AMO practices. For example, Stamper and van Dyne (2003) have researched the need 'to give voice' to employees' (share knowledge, make suggestions about innovations etc) within restaurants in the USA but found this to be weakly developed both because of a lack of positive management practices, and a widespread belief amongst a relatively unprofessionalised and casualised labour force that they lacked relevant experience to engage in such knowledge transfers.

Following on from the above mention of customers, the study by Enz *et al.* (2006) also identified the importance of customer capital in relation to value of hotel brands. This can be opened-up into a wider debate concerning tourism as an experiential service that also relates to the idea of a 'customer journey' focussed around the service experience (Voss and Zomerdijk

2007). In terms of tourism this involves a pre-trip period of information searching, and decision-making, the tourism experience (purchase) itself and the post-purchase experience of evaluation of satisfaction. The broad ideas have their origins in a range of studies (Shostack 1984; Kingman-Brundage 1992; Shaw and Ivens 2002; Davies and Dunn 2002). Many organisations within tourism and travel recognise such customer journeys including the Disney World theme parks and parts of Virgin Atlantic (see Voss and Zomerdijk 2007). Of particular interest is the so-called brand touch point wheel outlined by Dunn and Davies (2003). This postulates the customer journey in terms of the three main stages outlined above but attaches critical 'touchpoints' which are key points at which the service experience interacts with the tourist (figure 1). The transfer of knowledge from, the tourist to the organization can be as important as that between employees for organizational performance.

#### Innovation and Knowledge Transfer: understanding conduits of knowledge

The importance of knowledge transfer pertains to its role in innovation and it is therefore necessary to provide a brief review of this subject. Hjalager (2002) has argued that research on innovations within tourism has been limited and failed to engage with extensive and dynamic debates in the wider social science and management literatures (see also Shaw and Williams 2004; Hall and Williams 2008). Innovation is of course constituted of far more than knowledge transfer, although this can be a key component. In part the reason for this neglect stems from a lack of understanding of the processes of knowledge transfer in tourism (Hjalager 2001; Cooper 2006). In this section of the paper we outline the various means by which knowledge is transferred both between and within organisations. First we consider some of the general issues in this field, before examining some of the processes within tourism.

Two aspects of the generic literature on innovation are particularly germane here: the nature of competition and the types of innovations. In terms of the former Schumpeter (1947) outlined



the idea of disruptive or innovative competition which in terms of services was first outlined in relation to retailing:

‘In the case of retail trade the competition that matters arises not from additional stores of the same type, but from the department stores, the chain store, the mail order house and the supermarket.....’ (p.85)

Competition based on these innovations creates what Schumpeter termed a ‘big’ disturbance because they ‘disrupt the existing system and enforce a distinct process of adaptation’ (Schumpeter 1939: 101; see also Bliss 1960). This represents strong competition as opposed to weak competition. Within tourism Shaw and Williams (2004: 16) have utilised these ideas to explore forms of ‘weak and strong competition’. Disruptive competition has characterised some key innovations within tourism. These include: the development of all-inclusive tours, the idea of ecotourism, the impact of the internet along with e-tourism marketing and the business model of low cost airlines. Ideas of different types of innovations are starting to be debated more within tourism as evidenced by Hjalager’s (1997; 2002) work, which draws attention to types of tourism innovations. Drawing on the generic innovation literature she emphasises process, management, logistical and institutional innovations. Within this context Hjalager’s (2002) later work adapts the perspective provided by Abernathy and Clark (1985) based originally on the automobile industry. This views innovations in a much wider context than Schumpeter’s definition, identifying four main types of innovation change; namely, regular, niche, architectural and revolutionary.

This broader perspective, whilst allowing a range of changes to be considered, does have two main drawbacks. First, it rather clouds the notion of innovation since it includes so called ‘regular innovations’ which, as Hjalager (2002) emphasises, are ‘the least radical’ (p.466). These contrast with the idea that innovations cause ‘disruptive’ or ‘innovative competition of the type outlined by Schumpeter (1947). We would argue therefore that a more helpful

framework is one based around process, product, management, logistics and institutional innovations. In part such management perspectives have been explored by Voss and Zomerdijk's (2007) work on innovation in experiential services. Innovation in this context includes product, process and business models. They also argue that much process innovation is incremental in nature, which in part covers the so called regular innovations noted by Hjalager (2002). The second and more serious drawback with Abernathy and Clark's model is it's rather static and descriptive nature, which is also recognised by Hjalager. It certainly provides a rather limited and arguably flawed background framework from which to examine the knowledge transfer of innovations – which is necessarily a highly dynamic process.

The different types of innovation may also require very different degrees and or combinations of both explicit and more particularly tacit knowledge. In this context Hall and Andriani (2002) have identified so called 'risk hot spots' where large amounts of tacit knowledge about an innovation are needed in order for an organisation to navigate successfully through such changes. Where there is insufficient knowledge available this can lead to knowledge gaps which relate both to the innovation types, for example major radical or disruptive innovations usually involve more learning, and are linked to the capacity of organisations: their capabilities for capturing and understanding such knowledge. Their use of innovation – knowledge plots highlights the potential gaps or 'risk hot spots' (figure 2). According to Hall and Andriani (2002) the greatest risks of failure tend to occur when there is a large gap in substitutive knowledge. As they (2002:32) explain, 'knowledge may be categorised as either additive, complementary or substitutive'. In terms of 'revolutionary' innovations it is substitutive knowledge that is predominant, when old knowledge is replaced by new or so called substitutive knowledge. It is in this context that many organisations have knowledge gaps relating to revolutionary or radical innovations (Figure 2.)

The range of perspectives and literature on knowledge transfer, indicated thus far, has only received limited recognition within tourism research. For example, Frechtling (2004) provides a partial insight into these issues as background to his study of the role of journals in aiding the transfer of knowledge from leading academics to practitioners within tourism and hospitality. In contrast, Cooper (2006) has gone further and attempted to review ideas of knowledge flows and diffusion within a knowledge management framework. He draws particular attention to the various transfer models identified by Baek et. al. (1999), including the ‘organisational learning model’ and the ‘absorptive capability model’. Finally, Hjalager (2002) has detailed the knowledge transfer process around four main conduits, namely: the trade system, the so-called technological system, the infrastructural system and the regulatory system. It is possible to go further and refine such conduits or vehicles of knowledge flow in terms of direct and indirect methods as table 1 shows. Useful though this approach is, it nevertheless presents little detail on the effectiveness of the vehicles of knowledge transfer across different market situations nor much explanation of their different potential for promoting learning. Gertler’s (2001) examination of best practice and industrial convergence partly rectifies these shortcomings in a non-tourism context. Indeed it is the general literature on knowledge transfer and innovations that provides the sources for this necessary research framework still very much lacking with tourism studies.

One of the most fruitful avenues of recent research has been on the vehicles by which knowledge is transferred. In part we have already outlined this in terms of Hjalager’s (2002) work. Similar but earlier studies exist in other service sectors, the most relevant being the work of Kacker (1988) as modified in table 1. This emphasised the process of technology flows between retail firms, identifying the role of FDI, joint ventures, franchising and management contracts along with observation and trade seminars. However, as previously noted, there are shortcomings which Gertler has attempted to remedy. Gertler focussed on variations in ‘activeness’ amongst the different forms of interaction that provided the potential for the transfer of new or innovatory practices. For him the trade press (in part Hjalager’s trade

system) provided opportunities for more shallow or passive learning of new practices. In contrast, more active and deeper learning opportunities are provided by FDI or mergers. According to Kacker (1988) of critical importance in understanding innovations is what he termed 'know how' or what we have discussed earlier as one form of tacit knowledge at the organizational level. Kacker (1988) believed this 'to signify the business concepts, operating policies and techniques' associated with particular innovations (p.44). Here we review other approaches to understanding the vehicles of knowledge transfer, that have particular relevance for tourism, relating to human mobility and to networks. In terms of the latter, we consider three distinctive articulations of networks: foreign direct investment including interlocking directorships, clusters/learning regions and communities of practice.

We start with networks. The flows of know-how can be considered from the perspective of the firm being embedded in a network of intra, inter- and extra-firm relationships (Yeung 1998). The network perspective on organisational learning and knowledge transfer has received considerable attention. For example, Tsai (2001) has highlighted the importance of the absorptive capacity of networks in terms of innovation and business performance. Ideas concerning strategic network theory have extended the 'search for the source of value-creating resources and capabilities.... beyond the boundaries of the firm' (Gulati et.al 2000:207; Hung 2002). The utilisation of strategic networks holds significant potential for research on knowledge movement within the tourism sector. In particular, they illustrate the potential role of business networks in enabling innovating firms to go beyond internal resources and to harvest external sources of knowledge (Måkanesson and Snehota 1997), which are particularly valued as 'uncommon' knowledge to the organization. Three types of network particularly merit further consideration in tourism research.

First, an important, but neglected, conduit of knowledge transfer is the role played by foreign direct investment. International economics suggests that transnational firms have knowledge advantages compared to firms operating within a single country. They can redistribute or reuse

existing knowledge from the 'home' country. The model for this dates from the early writings on industrial organisations (Hymer 1960; Kindleberger 1969) which stress that the multinational company has an absolute ownership-specific knowledge advantage over national companies. This assumes a vertical model of industrial organization, with knowledge creation being concentrated in the home country and being distributed to the host country. Such strategies of knowledge transfer are optimal when the multinational company's principal strategy is to replicate existing products or services in new markets (Hansen et al 1999). This is likely to combine the transfer of both codified (company manuals, mission statement etc) and tacit knowledge via the mobility of managerial staff. In contrast, firms which are developing new and more differentiated products in the host country, taking into account national differences in how markets are constructed, require a knowledge creation strategy, and this is more likely to involve tacit knowledge exchanges. Transnational companies are also more likely than national companies to have the absorptive capacity to utilise knowledge more effectively. This is of course a generalisation, and there are differences between firms relating to different forms of foreign ownership, ranging from direct and exclusive ownership, to various forms of partnerships and mixed ownership, and franchises, these have contrasting knowledge transfer and absorptive capacities.

Interlocking directorships are a feature which is often missed by the traditional emphasis on organisational mergers, alliances and takeovers. According to Mizuchi (1996:271) 'An interlocking directorate occurs when a person affiliated with one organisation sits on the board of directors of another organisation'. O'Hagan and Green (2002) have provided a summary of the main conceptual perspectives on interlocking directorates, which range from the theory of management control to resource dependency. The former presents a rather limited view of interlocks and fails to address the issues of knowledge transfer. However, as Mizuchi (1996:284) explained more recently, 'the emphasis on interlocks has moved increasingly toward their value as a communication mechanism rather than as a mechanism of control'. This relates to resource dependency theory as an explanation of interlocking directorates. Such a view sees

the firm as a bundle of resources that act as the main source of competitive advantage which also highlights, according to Gupta and Givindarajan (2000), the importance of tacit knowledge. When such ideas are combined within the context of interlocking directorates, these directors as significant, so-called 'boundary spanners' that link across organisations (O'Hagen and Green 2002; see also Alexander et.al. 2005 and Shaw and Alexander 2006). The increasing recognition that interlocking directorates can aid the transfer of tacit knowledge is based on the idea that directors can provide collective tacit knowledge which is critical to firm performance (Boyd 1990). In addition, notions of network embeddedness are discussed by Granovetter (1985: 484) who highlights the ways in which the economic behaviour of actors (directors) are affected by their relations with other actors. Such relations can significantly impact on behaviour and according to Granovetter (1985: 484) are much more important 'than abstract concepts of norms or self-interest'. In general, social capital facilitates knowledge transfer, so that managing networks may be considered critical to firm performance (Liao et al 2003). However, networks function in complex and sometimes paradoxical ways (Thorpe 2005: 274). Strong relational ties can facilitate knowledge flows, but they may also restrict the range of sources (Meeus et al 2001). In contrast, weaker networks may provide access to a wider range of knowledge sources. The notions of networks within and between organisations is clearly important for knowledge transfer where such networks are high-level ones such as interlocking directorates or less formal, low level ones.

The second approval concerns learning regions which are territorial spaces where there is a strong, positive environment that is conducive to collecting learning and knowledge transfer. The central ideas behind this concept are that tacit knowledge is the key competitive advantage, and that proximity is essential to developing strong levels of trust and common values which are critical for effective knowledge sharing. Such proximity is most effective at the local and regional levels because of the ways in which institutions are constituted. Knowledge sharing occurs through different vehicles within learning regions, via; inter-firm linkages and partnerships, firms and other knowledge creating bodies such as universities and government

agencies, and informally based exchanges of work-related gossip in both workplace and social settings within the region (Bathelt et.al 2004). There is little specific research on the notion of learning regions within the tourism literature, although there is a small, but growing literature on the related concept of industrial clusters, which has emphasised the importance of diagonal clustering in tourism, that is the existence of complementarities rather than direct firm to firm inter-relationships (see Michael 2006).

The third vehicle of importance in understanding knowledge transfer is the relatively well established concept of communities of practice. Once again these ideas have been rather ignored within the tourism literature, although the concept holds significant potential for tourism research. Wenger (1998) has outlined the role of communities of practice in aiding knowledge movement (see also Wenger and Snyder 2000). Such communities may take the form of a business community informally organised or more formal organisations. These communities can act as significant organisations in promoting knowledge of innovations. In addition, important individuals may be members of different communities and also act as 'boundary spanners' across such divides and help knowledge move between these communities. Brown and Dugid (1991) argue that because communities of practice are at the interface of the organisation and its external environment, they play a key role in knowledge transfer. However, they caution that knowledge transfer within communities of practice tends to be constrained by the shared world view of the members, and therefore are rarely sources of radically new knowledge.

Networks are of particular importance in the study of knowledge transfers in tourism. Of particular note is the issue of the efficiency of networks in knowledge transfer (and innovation) in tourism destinations. This poses the question of the extent to which networks within destinations resemble the idealised model of learning regions, outlined above. This has been a relatively neglected research topic until recently, as noted by Tinsley and Lynch (2001), reflecting the widespread view that tourism firms are small scale, low knowledge intensive

establishments. Sørensen (2007:26-7) considers that there are four main types of tourism networks: vertical distribution networks between tourism firms at destinations and their distributors, such as tour operators; vertical input relations between tourism firms and their suppliers of inputs, with IT suppliers being particularly important; horizontal competitive or chain relations between similar tourism firms, as for example between hotels offering similar products within a destination; and horizontal complementary relations between different types of tourism firms, such as those between tourism attractions and accommodation establishments. His insightful study of Malaga suggests that localised networks within the destination are relatively weak, while non-localised networks tend to be relatively strong if sparse. Moreover, it is the strength of individual relationships, rather than proximity which is important in determining knowledge transfers, while the diversity of knowledge sources – that is both localised (amongst competing firms) and non localised – is also significant. Beesley (2005) provides an interesting extension to some of these arguments about the ‘strength of individual relationships’ in her study of collaboration between industry, government and research bodies in the tourism industry. In particular, she contends that knowledge transactions are mediated by the cognitive and emotional difficulties that individuals encounter in trying to engage with knowledge that does not fit easily with their existing knowledge. There are interesting connections to be made here with the notion of trust and how this is articulated in learning regions and communities of practice. These arguments do not question the importance of networks, but rather they signal the need for a more nuanced understanding of the relationships that are central to the operation of networks.

Sørensen (2007) also concludes that inter-firm networks constitute only one piece in the jigsaw of knowledge transfers, and that other sources such as employees and tourists are also important. We can add to this that employees are important sources of knowledge both in context of their role within the organization, and their external networks, that is in their ability to source external knowledge. The key individuals in this respect are those particularly well connected and able individuals who are able to act as boundary spanners between different



knowledge communities, and they are potentially important in larger and smaller firms. Taking up Sørensen's argument about the role of employees, it is important to recognize that human mobility also constitutes an important and relatively under-researched channel of knowledge transfer. Given the high mobility of labour within the tourism and hospitality industries, and the significance of tacit knowledge, this seems particularly appropriate for investigating the transfer of 'know-how' in the sector (Hjalager 2002). Mobility operates at different scales ranging from the local to the international. Where there are geographical clusters of tourism firms, then workers may be able to move easily between employers, effecting knowledge spillovers. This can act to change the knowledge base of both the origin and destination firms, usually being viewed as a situation of net losses and gains. However, in so-called knowledge communities, high levels of knowledge spillovers via labour may be accepted as a common mutual benefit. In this sense it is viewed as a vehicle which raises knowledge levels within the community of firms as a whole (Henry and Pinch 2000). Alternatively, labour mobility may be realised via migration at a number of scales both within companies and external to them. For example, these range from inter-firm moves, as when a manager moves between hotels in different regions, to extra-firm mobility (Williams 2006), as when tourist-workers move between regions, driven as much by tourism motives as by employment goals and prospects (Uriely 2001). Such mobile workers have a particular propensity to act as boundary spanners (Tushman and Scanlan 1981) because of their potential to bring uncommon knowledge to firms (Williams 2006; Williams 2007). Labour turnover is often the most important channel for knowledge spillovers in manufacturing (Djankov and Hoekman 2000) but as we argued earlier, we know far less about tourism. However, the particular nature of tourism markets gives labour mobility a potentially distinctive role in this sector. As a consequence of the internationalisation

of tourism, increasing numbers of tourists visit countries where their language is not spoken and cultural norms are unfamiliar (Williams 2008). In such circumstances tourism firms may need to rely on a particular form of knowledge transfer, namely employing migrant workers from the tourists' home countries. This is a special case but it illustrates the potential importance of human mobility in knowledge transfer.

#### Knowledge Transfer and Knowledge Management: An emerging tourism research agenda

The study of tourism knowledge management and knowledge transfer is still in its infancy but there is an emerging research agenda. There is considerable scope for researchers to think through and empirically investigate the substantial theoretical corpus in the generic management literature. However, there are parts of the tourism sector that have already received some attention, including work within the hospitality industry. Of particular note are the studies by Yang and Wan (2004) and Yang (2007) on knowledge management within Taiwan's international hotels, whilst Rodriguez (2002) has examined Spanish hotel companies in terms of organisational knowledge and international expansion capabilities. Whilst both streams are pioneering in their approaches, it is Yang and Wan's work that makes strongest use of a knowledge management framework. Their research is based on semi-structured interviews with 35 respondents occupying positions in four and five star hotels in Taiwan. The information gathered from the interviews was 'sorted into three aspects: knowledge sharing, knowledge acquiring and knowledge storing' (Yang and Wan 2004: 597), as shown in table 2. One of their key findings was that most shared knowledge according to the respondents tended to be operational rather than strategic. Not surprisingly hotel service staff shared customer-related knowledge, product knowledge, problem solving and situation dealing via 'gossip', or 'buzz' as referred to by Bathelt et al (2004). In contrast management staff shared knowledge in terms of the external environment, e.g. a competitor's behaviour (Yang and Wan 2004). They found that

most interviewees were prepared to share knowledge with other co-workers, although some supervisors expressed concern over giving too much of their knowledge to subordinates for fear of them being promoted above them. Some 60% of respondents, mainly front-line employees, claimed 'they would not talk about job related affairs during social activities as it spoiled [their] pleasure' (Yang and Wan 2004: 597). This study also draws attention to the low level of effort to store and retain operational knowledge in an environment where front-line staff turnover is extremely high. A similar conclusion is identified by Rodriguez (2002) in terms of strategic knowledge in the hotel industry, especially in terms of the entering of foreign markets. This underlines the importance of high level specialised tacit knowledge in the internationalisation trends of Spanish hotels.

More recently Yang (2007) has reported on the details further the survey work and drawn attention to the importance of organisational cultures, especially those that foster collaboration amongst staff rather than competition. This in part fits with the findings of Voss and Zomerdijs (2007) on the service delivery process in experiential services. In doing so their research points to the importance of a community of service employees but, as yet, little research has been undertaken on how such communities are fostered or exactly how they transfer knowledge within the organisation, let alone across its boundaries.

The notions of knowledge sharing identified by Yang and Wan are largely at the intra-firm level and in contrast little attention has been directed at the transfer of knowledge between organisations. Rodriguez's (2002) study comes closer to such considerations, building on the work of Contractor and Kundo (1998a, 1998b, 2000) whose studies have highlighted the strategic management and organisational forms of international hotel operators. All these studies draw attention to the 'stickiness' of tacit knowledge and the 'risk hot spots' (Hall and Andriani 2002) of moving 'know-how' of innovations across global hotel networks. As Rodriguez (2002:603) concludes; 'The transfer of technology (especially when it implies a high degree of tacit knowledge) can easily fail if governed by a long-distance contract as it requires

close and fluent liaison between those who transfer knowledge and those who receive it'. More generally, it highlights the importance of understanding the relative strengths and weaknesses of the different vehicles of knowledge transfer that we previously discussed. This in turn also depends on the nature of organisational culture within the large multinationals, where the movement of knowledge is at the infra-firm level.

Of course the majority of accommodation services is provided by small and medium sized enterprises, (SMEs), but these tend to have limited absorptive capacity in terms of harvesting and using tacit knowledge (Cohen and Levinthal 1990), even though they have the advantages of flexibility compared to major corporations. Social capital rather than formal mechanisms tends to facilitate knowledge transfer in SMEs, thereby reducing its transaction costs, (Dallago 1990). Such challenges are also addressed, in part, by SMEs entering alliances or franchises and as Cooper (2006) explains, knowledge of new techniques is being facilitated by 'intermediaries such as tourist boards' (p.57). He points to the role of the Cooperative Research Centre for Sustainable Tourism in Australia which has focussed on the tourism sector as an adoptive environment through an examination of absorptive nature of organisations depending on their size, type and sub sector. However, such top down initiatives often find it difficult to create the organic growth of trust which underlies knowledge transfer in the communities of practice of learning regions.

Despite these difficulties, fostering knowledge transfer to and between SME's has been moving up the policy agenda in several countries. For example, within the UK attempts to improve knowledge flows and the absorptive capacity of SME's within the hotel industry have recently been formalised at the national level. In 2001, 15 industry Forums were established by the Department of Trade and Industry (DTI), including the Best Practice Forum in Tourism, Hospitality and Leisure ([www.bestpracticeforum.org](http://www.bestpracticeforum.org) 2006). Amongst its many other activities the Forum is concerned with improving management, service quality and fostering innovations. A number of business coaches and training coaches have been appointed operating through

Regional Development Agencies and Learning and Skills Councils. Early indications suggest a degree of success in those SME's using the service although much detailed research remains to be undertaken on the degree to which knowledge transfer is operating (Best Practice Forum 2004).

Such conduits of knowledge in part relate back to the ideas outlined by Hjalager (2002) who has drawn attention to the role of the 'trade system' in moving 'know-how' around the tourism sector. Recent work by Novelli et.al (2006) has also focussed increased attention on the role of networks and clusters in aiding SMEs to learn about innovations. Their study is based in South East England and examines the role of a Regional Development Agency in stimulating change in rural tourism SMEs. This was particularly related to the idea of so called 'Health Lifestyle Tourism' and associated SME clusters. They claim that 'a short term achievement of the project is the inter-firm synergies produced by the cluster formation' (Novelli et.al 2006; 1150), but again more detailed research seems necessary to examine the absorptive capacities of these businesses and the effectiveness of knowledge conduits.

Whilst there is little research on knowledge transfer in tourism SMEs there is somewhat more evidence concerning innovation, albeit of a contradictory nature. Two notable examples both concern the use of new technology which is important because, as Hjalager (2002) and others (Evangelista 1999) argue, the tourism sector 'increasingly utilises knowledge embedded in technology' (p.472). In terms of the use of IT 'know-how' by SMEs research has highlighted the key utilisation of web-based marketing by SMEs (Sigala et al 2004). Similarly, there has been the rapid growth of smaller independent tour operators focussing on adventure and ecotourism, again based around the 'dot.com' revolution and the use of web-based marketing. Unfortunately we know very little of how such knowledge is transferred around these SMEs, although the exploratory study of SMEs involved in surfing in Cornwall, South West England points to the importance of informal networks as conduits for the movement of tacit knowledge (Shaw and Williams 2004). Buhalis (2006) provides a more generic view of the impact of IT

applications in tourism, although he does not explicitly address knowledge transfer issues in any detail.

The importance of technology in innovations in the tourism sector for both SMEs and multinational companies has long been recognised (Poon 1993; 1994) and this has also been re-emphasized by Kärcher (1999) who argued that the sector 'was going through a state of change, affected and directed in particular by developments in technologies' (p.1). As he goes on to point out these changes have been particularly significant in their impacts on tour operators and new information technologies have led to the 're-engineering' of major European tour operators (see also Edwards et.al. 1998). The impact of computer technology has been widespread across a range of tour operators especially developments surrounding Intranet links which have helped to streamline the distribution of information and money transactions (Jewell et. al. 1999).

The impacts of e-tourism, especially in the contexts of e-marketing have been intensively discussed (Buhalis (2006) see also the activities of the Travel Technology Initiative (2007) and the papers presented at its various meetings). Moreover, we still know very little about how knowledge of these various innovations flows into and around the various parts of the tourism sector. There are studies emerging on this issue, one example being Jamnia's (2008) research on notions of knowledge-based destination marketing which attempts to examine how of knowledge destination web site design is acquired by various national tourism organisations in the Gulf States. She argues, following Nonaka et.al. (2000), that the idea of knowledge-creating firms, in which some forms of tacit or explicit knowledge can be converted to other forms of tacit or explicit knowledge through the processes of socialisation, externalisation, combination and internationalisation is significant to National Tourism Organisations and their marketing activities.

Ideas of knowledge management have also been utilised by Pyo (2005) to examine destination competitiveness. As Pyo explains, previous studies, whilst examining destination marketing

and information systems (see Ritchie and Ritchie 2002), have failed to make 'explicit use of 'knowledge management' terms (p.583), but such an approach can be beneficial since it also embraces 'acquisition, explication and communication of .....expertise' (p.583; see also Pyo et.al. 2002). Pyo's (2005) study focusses on exploring the application of the concept of knowledge mapping. Such a technique can help to locate key sources and define the barriers affecting knowledge flows. According to Pyo (2005: 585), 'The map may portray both the codified and informal, highlight constraints, assumptions, policies, ....bottlenecks, brokers, repositories and boundary spanners'. These concepts were applied to four different South Korean tourist destinations. Using information generated by two questionnaire based surveys, the study was able to identify knowledge maps for the four destinations, each of which revealed differences, suggesting 'that different frameworks are preferable depending on knowledge requirements and user preferences' (Pyo 2005: 593).

The concept of learning and sharing knowledge is clearly important for many destinations and is a key to the effectiveness of many tourism organisations (Hjalager 2002). The idea of the learning economy or organisation is well embedded within the broader management literature as we argued earlier (Lundvall and Johnson 1994). However, there are as yet few studies within tourism although the work of Herremans et.al (2005) is one exception. Their study of the use of environmental management systems amongst tour operators in Western Canada highlights the potential of knowledge sharing and the leading role played by officials within the National Parks in knowledge and learning. It provides recommendations of how public and private sectors can facilitate the transfer of best practice knowledge. The study also serves to stress varying levels of absorptive capacity amongst differing tour operators and their take-up of best environmental management practice. The emerging research agenda in tourism studies is therefore starting to address the complex nature of knowledge transfer. It is probably strongest in relation to the more tangible aspects of this, such as IT take up, but weaker in terms of the hidden knowledge transfers that are implicated in for example: process innovations, labour mobility and communities of practice. Nevertheless, there is already evidence of the need to

combine the general theoretical frameworks emerging from the management literature, with an understanding not only of the contingencies of time and place, but of the specific nature of tourism as an economic activity.

### Conclusions

Our short review of work within the tourism on knowledge management and transfer points to a mere handful of studies in which attempts have been made to explore empirically some of the key concepts in the wider 'knowledge' literature. In addition, there are a relatively small number of review papers highlighting the need to integrate knowledge management concepts into all areas of tourism. Work by Ruhanen and Cooper (2003), along with Frechtling (2004), have suggested there is a so-called 'knowledge value chain for the tourism sector but this again remains a largely untested idea. This value chain comprises six main stages of knowledge management that moves from knowledge generation through to commercialisation and diffusion. As with all such conceptualizations of chains, there are issues relating to the inevitability of the sequential stages and as to the key determinants of transitions between stages.

Indeed many of the key concepts within the wider literature on knowledge management have not yet filtered into tourism research. Other than IT, as noted earlier, perhaps most progress has been made in relation to the hospitality industry, especially hotel development. The studies by Yang and Wan (2004), Rodriguez (2002) and Yang (2007) identify some key concepts of knowledge transfer and also provide some empirical data with which to explore such ideas. The structure of the hotel industry is changing with the continuing process of globalisation and as a consequence its structure has become increasingly complex with respect to scope (products offered) ownership, management and affiliation. Moreover, Cho (2005) argues that there is considerable scope for co-operation between global players in the hotel industry and SMEs, a feature explored by Pine et.al (2000) in the context of China. Unfortunately, such perspectives



have largely failed to engage with, or even deploy, some of the key concepts of knowledge transfer in researching the potential of such co-operations between different parts of the hotel industry. Furthermore, there is still a need to link innovations and knowledge transfer much more firmly within tourism research, so as to deepen understanding of competitiveness and performance. This is not a new call but one that echoes the previous work of Hjalager (2002) and Cooper (2006). However, we conclude that there is a need to incorporate a number of key concepts from the rapidly evolving research agenda in knowledge management and knowledge transfer into tourism research. These concepts include the notion of knowledge overspill, communities of practice, the importance of networks along with the role played by interlocking directorates, human mobility and the territorial basis of collective learning. In addition, the potential role played by boundary spanners – whether at the interface between organisations or national systems of knowledge and innovation - provides a potential insight into a significant conduit of knowledge transfer, as does a study of the mobile workforce within many parts of the tourism sector. Indeed such individuals may hold a key to understanding how knowledge is moved around different parts of the tourism system.

In addition to stressing the importance of these key concepts in knowledge transfer, there is also a need for a closer integration and study of innovations within the tourism sector. This is also a point stressed by Orfila-Sintes and Mattsson (2007), specifically in terms of the hospitality sector. As we have argued innovations, of both product and process forms, have played significant roles in many aspects of tourism development, but yet few studies have viewed these through the lens of knowledge transfer. A classic example is the innovations that led to the business model of low cost airlines because whilst this is understood (Gross and Schröder 2007) little attention has been paid to the knowledge transfers that underpinned the innovation diffusion. There is also a lack of research on the role of human mobility in diffusing tourism innovations. This is part of the focus of current research by the authors into the role of international migration in innovations and knowledge transfer within the hotel industry. This considers both intra-company mobility under different ownership and management systems, as

well as the role of migrants as managers in SME hotels (ESRC 2007). In this context, it aims to research the role played by the mobile service employees as identified more generally by Hjalager (2002).

This paper has also identified the need to integrate the research on innovations within tourism into a knowledge management framework (Markides 2006). In this context we would highlight two particularly important sets of ideas that can contribute to a better understanding of tourism innovations.

The first is the need for a more detailed examination of the different types of innovation and how these are distributed via the processes of knowledge transfer. In this context we would argue that the conceptual framework proposed by Hall and Andriani (2002) is especially useful and worth further attention. Their identification of so called 'knowledge hotspots' (see figure 2) is of particular interest in providing a research framework that aids our understanding of the absorptive capacity of individual firms. However, there is a need for more detailed specification of the models of knowledge management in tourism within and between organizations in knowledge hotspots as opposed to other types of environments.

The second perspective on service innovation which merits further consideration is that of viewing innovations as 'customer journeys' of the type discussed earlier in the paper and as outlined by Voss and Zomerijk (2007). As we have argued the concept of the tourist customer journey can be characterised by some critical touchpoints between the organisations and the tourist. Of particular significance is the assumption that each of these so called touchpoints hold the potential for innovations to occur. As Voss and Zomerijk (2007: 8) claim 'innovations observed during the study covered a spectrum from creating entirely new journeys, through to adding elements in a journey'. They were looking at experiential services generally and clearly much scope exists for taking such ideas into the more complex 'customer journey' that

characterises tourism services, with their mixture of private and public components at the destination level.

Finally, although the paper has been written as a conceptual review, rather than a practical guide for action and policy, it does provide some pointers in these areas. The arguments set out in this paper confirm the importance of knowledge as one of, and perhaps, the driver of innovation, productivity and competitiveness in tourism. Tacit knowledge is particularly important in terms of competitiveness, but this is also relatively sticky. It is possible to identify those general characteristics which facilitate tacit knowledge transfer, such as multiple networks, across space and sectors, openness and cosmopolitanism. These however need to be translated into business strategies and specific practices such as recruitment, human resource management, supplier chain management, and customer relationships. These pose very different challenges for firms in different sectors and places, as competition and collaboration conditions are highly variable. Moreover, small and large firms face very different challenges in knowledge management, not only because of resource differentials, but because of the different ways in which they approach strategies, operations and uncertainty (Sparrow 2001). We still know very little about such management practices in most sectors of the tourism industry, and these constitute a fertile future research agenda. Firm level and policy recommendations necessarily should be highly specific, but – and this has been the central argument of this paper – they also need to be rooted in a better understanding of how we can conceptualise and theorise knowledge transfer in tourism.

Table 1 Main Vehicles of Knowledge Flows in Tourism

Vehicles of flow

Indirect conduits (Diffusion/processes)

Main Types of Knowledge Flow

Observations, Trade Press and Trade Associations.

Seminars, Conventions and Demonstrations

outsourcing

Human mobility

Direct Conduits

(Transfer/processes)

Foreign direct Investment

Franchising

Joint Ventures

Management Contracts

Regulation systems and Training

Modified from Kacker (1985) and Hjalager (2002)

**Table 2 - A Knowledge Framework in the Hotel Industry**

<u>Data Collected</u>	<u>Sub Categories</u>
i) Knowledge sharing:	<ul style="list-style-type: none"> <li>– Content of shared knowledge</li> <li>– Techniques of sharing</li> <li>– Obstacles to sharing</li> </ul>
ii) Knowledge acquisition:	<ul style="list-style-type: none"> <li>– Obstacles to acquisition</li> <li>– Absorptive capabilities</li> <li>– Social interaction opportunities</li> </ul>
iii) Knowledge storage:	<ul style="list-style-type: none"> <li>– Operational procedures</li> <li>– Methods of storage</li> </ul>

Source: modified from Yang and Wan (2004)

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### List of Figure Captions

Figure 1            The Tourism Journey, Brand Touchpoint Wheel (modified from Dunn and Davies 2003; Voss and Zomerdijk 2007).

Figure 2            Innovation and Knowledge Plot (modified from Hall and Andriani 2002).



