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Knowledge Sharing at Micro Level:

A Participant Observation
at IKEA in Japan

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Abstract

The article takes its starting point in Nonaka's (1994) organizational knowledge creation process framework and various tools and mechanisms for sharing best practices. The *aim* is to increase our understanding for how best practices are shared and used at micro level in order to carry out daily work routines and solve emerging problems. From a participant observation it is illustrated that there is less sharing of best practices and more of knowing in practice, what Orlikowski (2002) refers to as sharing of useful practices. In order to fully understand the Nonaka framework it is suggested that researchers need to incorporate more empirically close research methods such as observation studies and that a macro and a micro perspective should be added to the framework.

Key words; best practice, IKEA, Japan, knowledge sharing, SECI, micro, participant observation

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Introduction

When entering new markets it is essential that an organization is capable of sharing knowledge as competitive advantage can be achieved by exploring locally created knowledge and by exploiting this worldwide (Schlegelmilch and Chini 2003). Miesing et al (2007: 110) further argue that competitive advantage; *“lies to a great extent in its ability to identify and transfer best practices, particularly core competencies and knowledge, between its geographically dispersed and diverse units.”* Because of globalization and the acceleration speed for change and innovation knowledge sharing of best practices has become increasingly important (Orlikowski 2002). Following the definition by Szulanski (1996: 28) best practices are replicated organizational routines where; *“practice refers to the organization’s routine use of knowledge and often has a tacit component, embedded partly in individual skills and partly in collaborative social arrangements.”*

The issue of how knowledge is created and shared within organizations has been of great interest among researchers within different research disciplines such as organization studies, strategic management and economics (e.g. Edenius and Styhre 2006). Much of the literature refers to the discussion of how to make tacit knowledge explicit or whether knowledge resides within the individual employee or in the organization (e.g. Brown and Duguid 1991; Cook and Brown 1999; Nonaka 1994). Easterby-Smith and Lyles (2003) note that one of the most influential and cited models taking a starting point in the knowledge concept is the framework by Nonaka¹ (1994). Nonaka argues that individuals possess knowledge but that this knowledge through different modes can be shared and converted into organizational knowledge. The framework has been widely cited and different researchers have suggested various tools and mechanisms and tested the model and derived with positive results supporting the framework (e.g. Bercerra-Fernandez and Sabherwal 2001; Chini 2004; Dyck et al 2005; Sabherwal and Bercerra-Fernandez 2003; Schulze and Hoegel 2006). However, the model has also been criticized for e.g. its epistemological view on knowledge (e.g. Gurlay 2006; Gueldenberg and Helting 2007) and the lack of empirical studies focusing on the individuals (Schultze 2000). This article builds on the latter criticism as there is still a dearth of research taking the individual perspective both in general research on knowledge sharing (e.g. Cook and Brown 1999; Foss and Pedersen 2004; Orlikowski 2002) and even so more specifically focusing on the framework by Nonaka². Given the fact that Nonaka argues that organizational knowledge originates from the individual it is quite surprising that few have investigated the knowledge creation process on micro³ level by conducting observations of individuals in their daily work. Furthermore, because knowledge is defined as *“justified true beliefs”*, thus taking a constructionist perspective (Bhatt 2002), this is even more surprising. Schultze notes that (2000: 4);

¹The organizational knowledge creation process model, the SECI-model, was first introduced by Nonaka (1991). Later work by Nonaka builds on this model of which the article by Nonaka (1994) and the book by Nonaka and Takeuchi (1995) are amongst the most frequently cited works building on the SECI model. The work by Nonaka and Takeuchi is actually more cited than the two original articles by Nonaka (1991, 1994) according to the Social Sciences Citation Index. Here ‘Nonaka’ and ‘Nonaka and his colleagues’ will be used except where it is necessary to refer to one specific piece of work.

²In fact Gueldenberg and Helting (2007) suggest that the framework by Nonaka should actually benefit from more empirical findings rather than emphasizing on the philosophical assumptions.

³In their discussion on how to investigate organizational learning Easterby-Smith et al (2000) make a distinction between macro and micro perspectives. In the macro perspective organizations are viewed as the primary unit of analysis whereas the micro perspective views individuals as the primary unit of analysis.

the knowledge management literature has focused research attention on the creation of information (e.g. Nonaka, 1994), but has not paid much attention to a detailed exploration of knowledge work, i.e. work of producing and reproducing information and knowledge.

This article builds on a participant observation and thus takes a micro perspective on knowledge sharing, contributing to research stressing the need for an increased understanding for how knowledge is shared among individuals in their daily work (e.g. Orlikowski 2002; Schultze 2000; Styhre 2003). Of interest is how organizational knowledge is created by focusing on how best practices are used and shared within a multinational corporation (MNC) at micro level. The ambition is to increase our understanding for the Nonaka framework by focusing on the individuals in the periphery of the organization and not solely on managers who are responsible for managing or controlling this process. This should be especially important as research in general taking an ethnographic perspective indicate that the ways people actually work differ essentially from how organizations describe this work in manuals, training programs, organizational charts etc (Brown & Duguid 1991: 40). Furthermore, as argued by Barley and Kunda (2001: 84)

[...] people cannot talk about the specific of what they do outside of the context of actually doing it.

The *aim* is to increase our understanding for how best practices are shared and used at micro level in order to carry out daily work routines and solve emerging problems.

This article contributes both to general research on knowledge sharing by taking a micro perspective as well as research on internationalization by focusing on knowledge sharing. There is an expressed need for more research on knowledge and learning in both the field of international business and organization studies (e.g. Blomstermo and Sharma 2003; Doz 2006; Easterby-Smith and Lyles 2003; Jensen and Szulanski, 2004). More specifically, Foss and Pedersen (2004: 343) stress that there is a dearth of research focusing on individual behavior in research on knowledge sharing within MNCs and that researchers need to focus more on the micro foundations for knowledge sharing. Felin and Foss (2005: 441) write;

Organizations are made up of individuals, and there is no organization without individuals. There is nothing quite as elementary; yet this elementary truth seems to have been lost in the increasing focus on structure, routines, capabilities, culture, institutions and various other collective conceptualizations in much of recent strategic organization research.

By observing how local co-workers carry out daily routines and solve emerging problems will contribute to an increased understanding for knowledge sharing within MNCs.

In the following section the framework by Nonaka is reviewed, both stressing the original model and further developments and suggestions by Nonaka and his colleagues. Reasons for choosing a participant observation are discussed as well as how the observation was carried out in the method section. In order to illustrate and increase the reliability with the observation a day in the IKEA store is outlined. The observations made are then analyzed in relation to the framework by Nonaka. Subsequently, an extended discussion on knowledge sharing at micro level is presented based on the major findings, where recent research on knowledge sharing is reviewed and incorporated to the reasoning around the Nonaka framework. In conclusion, findings, limitations and implications are discussed.

The Organizational Knowledge Creation Process Model (SECI)

Nonaka takes a starting point in a discussion on the epistemological and ontological dimension of knowledge. The former dimension refers to the distinction of tacit and explicit knowledge whereas the latter dimension, the ontological dimension, refers to the “*social interaction between individual that share and develop knowledge*” i.e. the distinction between individual and organizational knowledge a distinction borrowed from Polanyi (1966) (Nonaka 1994:15). Tacit knowledge is defined as something that cannot be codified, formulated and expressed. Explicit knowledge is tangible, clearly stated and can therefore be recorded and stored. Polanyi’s perception of tacit knowledge relates to his ideas about the function of knowledge. The use of knowledge is expressed in a person’s ability to mobilize it into action or collection of new knowledge. However, it is important to note that whilst Nonaka describes knowledge as two dichotomies while Polanyi view these as dimensions of knowledge and not as either or (Brown and Duguid 2001) ⁴. From an ontological point of view Nonaka builds on the belief that all knowledge is personal but that this knowledge can be made available and shared with others in an organization through the knowledge creation process. Knowledge is further described as context specific, depending on time and space and that without context knowledge would only be information. It is argued that “*the prime mover in the process of organizational knowledge creation is the individual. Individuals accumulate tacit knowledge through direct ‘hands-on’ experience* (Nonaka 1994: 21)”. In a later article Nonaka et al (2000: 6) write;

Instead of merely solving problems, organizations create and define problems, develop and apply new knowledge to solve the problems, and then further develop new knowledge through the action of problem solving. The organization is not merely an information processing machine, but an entity that creates knowledge through action and interaction.

It is further argued that micro (individual) and macro (organization/ environment) interact and that changes occur at both levels. However, as will be further discussed the distinction between micro and macro is neither clear nor explicit in the framework.

The organizational knowledge creation process model (SECI) consists of four modes of knowledge conversion in organizations; from tacit knowledge to tacit knowledge (socialization), from tacit to explicit (externalization), from explicit to explicit (combination) and from explicit to tacit (internalization) (Nonaka 1994: 18-19), see figure one. Socialization aims at sharing tacit knowledge among individuals. Nonaka (2000: 9) describes the process as “*[...] of converting new tacit knowledge through shared experiences.*” Socialization emphasizes joint activities such as using apprenticeship and mentorship. Externalization aims at articulating tacit knowledge into explicit concepts. In this process “*[...] knowledge is crystallized, thus allowing it to be shared by others, and it becomes the basis for new knowledge.*” (Nonaka 2000: 9). Furthermore, combination aims at combining different entities of explicit knowledge, i.e. “*[...] the process of converting explicit knowledge into more complex and systematic sets of explicit knowledge.*” (Nonaka 2000: 9). Databases and various IS tools play an important role in this mode. Finally, internalization aims at embodying explicit knowledge into tacit knowledge. It is used to broaden or even to reframe the individuals’ tacit knowledge. Nonaka (2000: 10) describes this process as “*[...] closely related to ‘learning by doing’*”. It is argued that this tacit knowledge is then, following

⁴For a more comprehensive review of the concept ‘tacit knowledge’ and ‘explicit knowledge’ as used by Nonaka see e.g. Ambrosini and Bowman (2001), Gourlay (2004; 2006) ; Gueldenberg and Helting (2007), Tsoukas (2003)

the knowledge creation spiral, shared through socialization. It is further stressed that explicit knowledge has to be embodied in “*action and practice*” (Nonaka & Nishiguchi 2001: 17)

Organizational knowledge creation occurs when all four modes of knowledge creation are managed to form a continual cycle or spiral (Nonaka, 1994). In the SECI model the spiral illustrates the relationship between these two dimensions of knowledge creation (Nonaka 1994: 16) ;

This spiral illustrates the creation of a new concept in terms of a continual dialogue between tacit and explicit knowledge. As the concept resonates around an expanding community of individuals, it is developed and clarified

The knowledge creation process is initiated by the enlargement of the individuals’ knowledge within the organization where personal subjective knowledge is validated, connected to and synthesized with others’ knowledge (Nonaka & Takeuchi 1995). Nonaka and Toyama (2003: 2) stress that;

knowledge is created in the spiral that goes through seemingly antithetical concepts such as order and chaos, micro and macro, part and whole, mind and body, tacit and explicit, self and other, deduction and induction, and creativity and efficiency. [...] the key to understanding the knowledge-creating process is dialectic thinking and acting, which transcends and synthesizes such contradictions. Synthesis is not compromise. Rather, it is the integration of opposing aspects through a dynamic process of dialogue and practice.

In addition to the SECI model the concept of Ba was introduced Nonaka and Konno (1998) The concept of Ba has also been discussed by, Nonaka and Toyama (2002, 2003) Nonaka et al (2000, 2005) and recently by Peltokorpi et al (2007). There are four types of Bas; origination, dialogue, exercising and systemizing. To participate in Ba means; “*to become engaged in knowledge creation, dialogue, adapt to and shape practices and simultaneously transcend one’s own limited perspective or boundaries*” (Nonaka et al 2006: 1185).

In each Ba knowledge is generated and shared. This knowledge forms the knowledge base of organizations (Nonaka & Nishiguchi 2001: 21). Moreover, Ba exists at different ontological levels within the organization. Nonaka et al (2006) argue that Ba is different from communities of practice, as discussed e.g. by Brown and Duguid (1991). While the boundaries for communities of practice are determined by task, culture and history the boundaries for Ba may be fluid and participation is driven by the opportunities to share and create knowledge. The concept of Ba is an important component in the SECI model as it is argued to provide (Peltokorpi et al 2007: 53).;

a platform for advancing individual and collective knowledge [...] and exist primarily on a level where meaning emerges, and therefore involves the tacit dimension of knowing.

Chini (2004: 94-99) extends the work by Nonaka (1994) and suggest different tools for managing these processes on how to transform personal knowledge into organizational knowledge (*see figure 1*). These tools are derived from earlier study by Sabherwal and Becerra-Fernandez (2001, 2003). Some of these suggestions can also be found in Nonaka et al (1996) suggestion about different IT solutions and how these can facilitate or support the

SECI process. It is argued that since socialization address tacit knowledge IT tools are not so relevant compared to in the process of combination. An interesting observation is that in the categorization by Chini (2004) best practices are defined as a tool for combination. However, the overall idea with the SECI-model can be viewed as a how to share best practices identified by individuals and then evaluated by others in order to convert individual knowledge into organizational knowledge. These knowledge conversion modes can both be viewed as modes for knowledge creation and knowledge sharing, as stocks and flow are interrelated (Dierickx and Cool 1989).

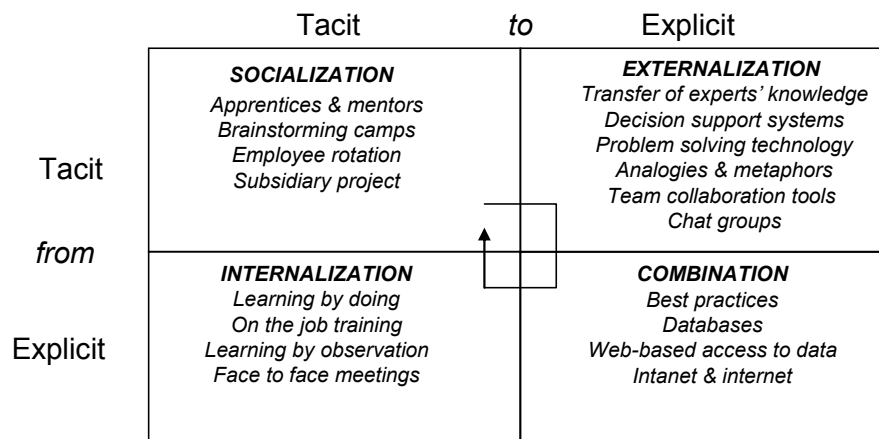


Figure 1. The SECI model (Nonaka 1994: 19) including various tools and mechanisms for each mode as suggested by Chini (2004: 97).

In their review of how the SECI model has developed Nonaka et al (2006) refer to a number of studies that have tested the SECI-model and illustrated positive results (e.g. Saberwhal and Bercerra-Fernandez 2003; Dyck et al 2005; Schulze and Hoegel 2006). All of these studies are based on quantitative research with exception from Dyck et al (2005) who also included interviews to their study. Most studies further focus on managers and unit for analysis is most often the organization, thus taking a macro perspective on knowledge sharing. This supports the relevance of this study, which focuses on the individuals in the periphery of the organization.

Method

As stressed there is a need for more research on knowledge sharing at micro level. It has also been stressed that there is a need to adopt more empirically close research methods such as observation studies in order to understand how knowledge is shared in the daily work. Styhre (2003: 156-157) urges for more research on knowledge focusing on the individuals;

Knowledge does not fall from the sky, rather it is always an outcome of social practices and procedures of evaluation. Therefore, knowledge must always be examined at its source, i.e. the activities of the individual and community of practice. [...] the closer one gets to the individual's use of knowledge, the less codified the knowledge becomes.

This is further in line with Barley and Kunda's (2001: 90) article on the need for more detailed studies of work;

The dearth of data on what people actually do – the skills, knowledge, and practice that comprise their routine work – leaves us with increasingly anachronistic theories and outdated images of work and how it is organized.

This study builds on a participant observation of how knowledge is shared within an IKEA store in Tokyo, Funabashi, Japan⁵. The observation was made during five days in December 2006. During three days a participant observation was made, where a Business Area (BA) Manager (and partly her co-workers), was followed and observed in her daily work. During the last two days ten interviews were made with co-workers from different departments as well as with the store manager. The interviews can be described as open discussions around the observations and reflections on how the daily work is carried out, problems solved and to what extent various corporate tools for knowledge sharing were used.

This research is part of an overall longitudinal research project focusing on knowledge sharing in the internationalization process. For the aim with the project IKEA was chosen as a case study (Eisenhardt 1989; Yin 2003). IKEA is the biggest global home furnishing retail company with 250 stores in 35 countries, of which the IKEA Group owns 221 stores in 24 countries, employing 104 000 people. Data collected before the observation provides an important background and overall understanding for IKEA and was important when searching for interesting situations during the observations. Semi-structured interviews with open questions about the international expansion of IKEA and knowledge sharing were made at market level in Russia (22), China (11) and Japan (6 + 11). In addition, 18 in-depth interviews were conducted at corporate level in Sweden. Corporate material such as documents and manuals were also collected both in printed versions and as offered on IKEA's intranet.

Ghauri and Grønhaug (2002) discuss observation as a method that allows learning and analytical interpretation. The major advantage is that data can be collected in a natural setting and that it is possible to more accurately capture the dynamics of the phenomenon that is in focus for the study. As noted by Bryman (1989) an observation offers the possibility to first-hand knowledge of behavior and context. In fact, this corresponds with the argument by Nonaka that it is important to understand the context in where individual knowledge is converted into organizational knowledge. Silverman (2006) with reference to Bryman (1989) suggest different aims with observational research of which "*seeing through the eyes of the people being studied*" is of interest for my research. The idea was to work as an "*apprentice*" which provided me with the opportunity to ask questions as a "*newcomer*" and therefore be able to acquire knowledge that newcomers need. That part of the observation can be described as a participant observation (e.g. Ghauri and Grønhaug 2002). However, the study takes a direct observation perspective when studying how knowledge is shared between existing co-workers at different levels in the store. This combined observation method can be compared to what Johansson (1998: 27) refers to as "*shadowing people in the daily work*". The advantages with shadowing are described as acquiring a deeper understanding for the study object/subject and facilitating the interpretation and analysis of data collected in other ways than during the observation. Shadowing is also discussed by

⁵In July 2002, the IKEA Group established IKEA Japan KK. IKEA opened its first store in Tokyo, Funabashi in April 2006. The second store also placed in Tokyo, Kohoku opened in September 2006. The entrance is described as biggest Greenfield foreign investment ever made in Japan. Initially, IKEA plans to launch eight to twelve outlets, with the first stores in Tokyo. In a longer perspective IKEA plans to open 46 stores in Japan

Gherardi (2006) as a methodology for gathering data on the floor and yields a combination of documentary data how people, both individually and collectively, engage in their everyday activities. In order to facilitate the observation a small notepad and a copy of the list of various tools for how to share knowledge in relation to Nonaka's (1994) four processes as suggested by Chini (2004) was carried with me.

Schultze (2000) discuss how to secure reliability and validity when using a participant observation. Although, reliability might be difficult to achieve as an observation study cannot be replicated it can be established through detailed descriptions (Silverman 1993: 146) allowing the readers to formulate their own interpretations before comparing those with the author's. In order to establish reliability a day in the IKEA store will be outlined before discussing the observation in relation to the SECI model. In terms of establishing validity it is expressed that it is important to collect different kinds of data through e.g. documents and interviews as well as during a period. The fact that this observation is part of a research project where 68 interviews have been made during a period of three years and that various internal documents have been collected increases the validity of this study. Yin's (1994) "*pattern-matching*" method of analysis was applied, where empirical patterns were compared with those of theory. The ambition is to search for analytical generalization in order to identify opportunities for theory expansions. To strengthen reliability, respondent validation was applied (Van de Ven and Poole 1990).

A day in the IKEA store⁶

The first shift starts at 8 am, i.e. two hours before opening. Co-workers drop in 20-30 minutes before their shift starts in order to have time to change to their IKEA clothes. It seems as if some co-workers, especially the Japanese co-workers, like to take some time and chat with other co-workers working in other business areas (BA).

At 8 am the work with securing that new products, brought in earlier by logistics the same morning, look acceptable. Logistics are responsible for unpacking new products but co-workers. Together with one person from Comin⁷ they make sure that it looks ok before the first customers arrive. It is very important to *front* products, meaning that products should be placed so that the customer both can see them and so that they are easy to grab. During the day when customers have picked products from the shelves it is important to front products placed in the back of the shelves. In the morning when both Logistics and Comin are in the store there is an open discussion about goods flow and how to present new products together with the co-workers in the store. For a newcomer it is easy to recognize who belongs to which group: People working with logistics and goods flow wear dark blue clothes, Comin wear grey and blue, co-workers working in the store wear blue and yellow and the staff in the restaurant wear blue and white.

⁶This description of a day in the IKEA store is a summary of observations made during one week. The aim is to describe daily work routines and how emerging problems or uncertainties are solved. It is important to stress that the pure observation was made Monday 8-17; Tuesday 12-21 and Wednesday 8-17. Weekdays are argued to be less hectic than during the weekends when there are more customers in the store. Mondays and Tuesdays were normally less hectic than Wednesdays. The fact that the observation was made when it was less stressful enabled me to ask more questions about the work in the store. When it was more hectic, as it was on Wednesday, I did not want to disrupt their work and tried to observe as much as possible. In addition, as it was my third day I was able to offer an extra hand. Meanwhile I was doing this I felt more entitled to ask questions about what I observed.

⁷Comin is a function within IKEA which is responsible for decorating the store and for how to present and display the products.

At 9 am all BA meet for a morning meeting in order to make sure that people from all BAs are present but also to give information about e.g. sales statistics from the day before. All of this information is given in Japanese and the following discussion is either in Japanese or in English. At 9.15 am information is given through the store radio about who is the deputy manager for the store for the day (and sometimes also information about co-workers birthday). This information is given both in Japanese and in English. After the morning meeting co-workers go back to their BA. After a weekend co-workers take a walk through the whole store, i.e. both in the showrooms and in the market hall, in order to both get an overall view of the store and to see how products (maybe from their own BA) are presented. This is made at any suitable time and it is expressed that it is good to do so after a few days off.

During the day much of the work in the store is operational meaning that co-workers work with *fronting products* or serving customers. However, “*the lists*” are always present and part of the operational work. There are many and different lists providing information about sale statistics, stock, overstock, concretes etc. In order to match these lists and plan for sales each BA has to continuously work with these lists. Normally it is the BA manager leader or the Group leader that are responsible for planning how to control goods flow and for sales. However, sometimes co-workers become responsible for solving a problem with overstock and searching for a solution for how to sell more items of a certain product. In the daily work this means that products have to change place with other products that need to sell more. In each BA there are determined places for certain purposes, which are decided on by the headquarter. There are certain places for “designed products”, for high volume products etc. However, within certain frames each BA is free to present or place their products.

The daily work can be characterized as working side by side your co-worker. The Japanese co-workers seem to be very self-going but as soon as they are insecure about something they turn to their BA Manager or Group leader for advice. At this particular BA much learning was practice-based and learning-by-doing. The BA manager often stressed that “*everything is flexible and you are able to change if it is wrong.*” The fact that co-workers are always busy leaves them with little time to consult the computers, especially the intranet and best practices. In this department there are two computers available. However, when these were used the major reason was to check if new *lists* had arrived. It was stressed that the first solution to a problem was to try to solve it together with your co-workers. If the co-workers were unable to come up with a good alternative, the second solution would be that the BA manager would send an email to her colleagues in Canada (i.e. where she was first trained for how to work at IKEA according to the IKEA way) to ask for an advice. The last solution would be to consult the intranet. The BA Manager argued that it is important to be at the floor in the store and not hide at the office. BA Manager and Group leaders should at least spend 80 % of their time in the store. However, at this BA even less time was spent at the office.

During the observation three mayor problems occurred. One related to a customer complaint about a frying pan. The second problem was related to competitor pricing. A copy of PRODUKT (a milk-frother) had been spotted by a co-worker at a competitor at a

⁸During the observations I repeatedly heard co-workers talk about “the lists”. There were different lists providing different information about e.g. sales, stocks, incoming products etc. However, during the observation at the training session it became clear that not everybody understood all the information provided in all the lists. This might be one reason for why the co-workers more randomly and general spoke of “the lists”.

lower price than offered by IKEA. The third problem related to the fact that the store manager thought that BA9 had too few products on the floor and needed to solve this in order to make it look good because of the coming store meeting the next day. The problem here was that new goods were about to arrive any day and it would be very expensive to take down products from the stock if these then had to be taken back when the new products arrive.

When a problem occurs there is first a very open discussion at the store floor amongst the co-workers. However, it seemed as if the YPPs brought the problems with them to discuss with other YPPs either at the office or in the staff cantina during a *fika*, the Swedish word for a coffee break is used by all co-workers no matter nationality. YPP (Young People Potentials), are Japanese speaking Swedes that were recruited in Sweden to work in the store in Tokyo side by side with local co-workers. Thus, there was a lot of experienced changed between the BA. A similar problem to the problem the milk-frother had appeared at another BA quite recently. Apart from hearing and discussing this with other BAs information was shared via e-mail to the Sales leaders and store manager (in both stores). In relation to the problem with how to balance the goods flow a certain discontent about lack of information could be sensed. The consequence of this specific event was that the YPPs gathered to discuss how to solve this problem, i.e. together searching for a solution. Their efforts resulted in a joint demand that Logistics should provide them with information about incoming products so that it should be easier to plan how much of the stock to take in to the store.

During the day, depending on weekday, new co-workers come in either as an extra co-worker or to replace someone who has finished their shift. There are two shifts a day. In order to be able to keep up what has happened during the day (or days if the co-worker has been off for a couple of days) a folder is kept in the cupboard by a computer in the store. In this folder *lists*, schedule for all co-workers in the BA or information about complaints etc are kept. Complaints, if not urgent (then these are communicated directly to the store manager and sales leader at the Service Office and in some cases directly to IoS⁹), are collected and then summarized once a year into the ten most asked questions. These ten questions are then sent to IoS.

Co-workers normally go for a *fika* around 9.30 depending on how much work that has to be done before the customers arrive at 10 am. The *fika*, normally consisting of a coffee or a cup of tea (free of charge) takes place in the staff cantina. It seemed as if Japanese co-workers met up with other Japanese co-workers and that the YPPs meet up each other. The YPPs met up for a chat to discuss both personal issues and issues related to their BA and IKEA in general. It was a common understanding that the staff cantina is an important forum for how to acquire and share knowledge. One YPP argued that the majority of his learning had taken place in the staff cantina. Normally, co-workers also go for a *fika* in the afternoon.

Sometimes co-workers go off to participate in either training or practice in another BA (job rotation). Every other week there is either training or a sales meeting, in which both the BA Manager and the Group leader participate in. During this time co-workers working in the store will have handle the ongoing work in the store. However, if it gets very busy they will call for the absent co-worker. Thus, there is a certain risk that the co-worker will have to

⁹IoS, IKEA of Sweden, is responsible for the IKEA range and is based in Älmhult, Sweden.

leave from their training or practice. However, these activities normally take place during weekdays when there are not so many customers.

Co-workers take turns when going for a lunch break. It seems to be a very open atmosphere as people tend to know each other, although there are several hundred people working in the store. In this store, it seemed as if the YPPs preferred to have lunch with each other and the Japanese co-workers with each other. However, as during the *fikas* people tend to chat with people from other BAs and not necessarily their own BAs (if more than one co-worker from the BA has a break simultaneously).

Between 2 and 4 pm new lists arrive from the office with information about which products will be delivered down to the floor the following morning. These lists are used to plan for how to prepare for the next day, i.e. based on these decisions are made on which products to move in order to make space for the new products. There is a constant change of products in the store.

The first shift ends at five pm and the second shift ends at 9 pm, i.e. one hour after store closing. The two shifts overlap and depending on weekday a part-timer may begin his/her shift in between the two shifts. At the kitchen utensils department there are four co-workers working in groups of two. Part timers, those were at the moment five, are brought in at peak hours or during weekends. The schedule varies and sometimes both the BA manager and the Group leader work at the same time but most of the time these try to overlap so that co-workers will have one responsible for communicating with the office (although co-workers also have an open communication with the office).

Knowledge Sharing in the IKEA Store – Revisiting the Seci Model

The following discussion builds on the four knowledge conversion modes suggested by Nonaka and various tools facilitating each of these modes as suggested by Chini (2004).

Socialization can be viewed as an important process for knowledge sharing within IKEA. Here expatriates and the YPPs played an important role as part of their task was to act as mentors for the Japanese co-workers. The YPPs were regarded as an interface between the foreign managers and the Japanese managers and co-workers. Initially, local co-workers had a "*buddy*", normally the group leader or the BA manager, who they could ask about IKEA and work routines. As the store had recently opened more emphasis had been on sales and less on training and a formalized buddy system had not yet been introduced. However, a special project called the "*Common system project*" about different systems used in IKEA Japan had resulted in the appointment of "*amigos*". These "*amigos*" should be experts of different systems and available for co-workers who need extra help.

In terms of sharing knowledge with other departments or business areas (BA) there were various meeting constellations where different areas (or within one function) meet to discuss different topics. It was stressed that these meetings could be seen as some sort of brain storming activities as co-workers are expected to question proven solutions. In addition, daily brainstorming takes place in each BA when a new problem with overstock, competitor pricing, displays etc have to be solved. From the observation it seems as if co-workers preferred to participate in these brainstorming activities rather than searching on the Intranet for proven solutions. Own initiatives to meetings outside of IKEA were also taken. One BA Manager took the initiative to meet with the same BA manager in the

second store to discuss and share experiences. However, during the *fika* there is also knowledge sharing between the departments. One of the YPPs stressed that most of the knowledge he had gained about IKEA was in the staff cantina. Several of the YPPs also stressed that during the *fika* there was a lot of brainstorming and discussion around common problems. Another form for socialization is employee rotation. In general the career path emphasis employee rotation so that you will understand and learn the whole IKEA. In the store, rotation is encouraged either for a few days or a few hours in order to further broaden your knowledge and try a new BA. However, as the store had opened quite recently this had not been executed to a greater extent.

Externalization is of varying importance. Local and newly employed co-workers are hardly involved in the externalization mode. Thus, it is important to incorporate organization structure and responsibility when discussing the process of externalization. Experts on IKEA (not necessarily within a special function) are transferred to new markets. Through personal networks this knowledge is captured as you know what your friends are doing. As one manager expressed it;

IKEA is the people that you know. It's the network that is how this company is run. And it's a real good way.

However, the "open IKEA" also provide people that don't have developed their network to apply.

In terms of decision support systems there are many systems providing different lists. At store level there are many lists on incoming orders, stock, sales, space capacity etc. Although everyone seem to use the (as they run around with these lists all the time) some seem to think that there are too many lists. It is also expressed that some of the lists are hard to interpret and therefore are not used to a greater extent. This became evident during one of the training sessions that took part during my visit. There was a clear frustration that not everybody was able to understand the consequences of some of the lists, i.e. to understand how these could help them plan their work in a better manner. There was also a sense of frustration among some of the co-workers who knew about the specific lists and understood how to interpret them and that not all their colleagues understood the consequences of not understanding these.

In addition to these lists, manuals can be argued to be some sort of decision support systems. This serves as basis for what decisions to make and in some sense also how to take them. However, it is also stressed that your personal network is your insurance of not making any mistakes. Many metaphors are used and some of them are visualized in the office. It was noted that many of the experiences IKEA people like to use them whereas local Japanese use them more tentatively as they are afraid that they have not really understood the meaning of them. However, as one manager said;

if people give an answer saying that it was solved in an IKEA way - then that person probably doesn't have an answer or don't understand the IKEA way.

At the intranet there are discussion forums but very few co-workers are aware of these. In general it was argued that it was (in the store) difficult to find the time to really work with this. In terms of team collaboration tools one very basic (and not so technically

sophisticated) tool was a folder where all information was put. In that sense that was a as people could continue when one co-worker had a day off.

Combination. Although best practices and proven solutions are important it was clear that not all co-workers knew where to find the right information due to the extensive amount of data. Some of the Japanese co-workers did not even understand what I meant by best practices when asking how much of these they used and how they acquired knowledge about these. In the interviews many co-workers stressed that you need to understand how to search for it otherwise you want be able to use the information. In addition, not all co-workers in the store had access to all data. As stressed, co-workers working in the store were busy serving customers of with fronting products, there was little time to consult the intranet. Depending on responsibilities different degree of access to data was given. However, it was also stressed that co-workers in the store did not have much time to search for data but that this was rather the BA-leader or Group leader's responsibility. However, in order to provide co-workers with the basic, explicit, IKEA knowledge "Basic Knowledge" books were handed out to all co-workers. These books are a "lighter" and more practical version of the manuals, that only the store manager own. In the back of the "Basic knowledge book" there was a list of questions that all co-workers were encouraged to answer. The ambition with that was to make the co-workers think and not take the information provided in the books as total truths e.g. about how to present a certain product. However, it was not only the Japanese co-workers that were reluctant in using best practices. One YPP expressed best practices as "*well, it is there but we don't use them.*" The major reason seemed to be that there was little time to consult the intranet and manuals when working in the store and serving customers. It was expressed that it was probably sufficient if you had read the manuals once during your introduction program.

Everywhere you turn knowledge is to be found. In the office close to the staff cantina wall paper information is to be found. In the office there are prints on the walls with either sayings about the IKEA values or a quote by the founder Ingvar Kamprad, e.g.

*Time is your most important asset. You can do **a lot** in 10 minutes. But once they're gone you can never get them **back**.*

By the entrance, on the walls to the locker rooms the IKEA Way "*Our Way*" was printed;

***Function**, not fancy. **Clear**, not complicated. **Honest**, not fake. **Fun**, not dull. **Smart**, not extravagant. **Surprising**, not expected. **Human**, not high tech. **Inexpensive**, not expensive. **Rebellious**, not conforming. **For the many**, not the few. **Swedish**, and not from anywhere*

In addition to these internal magazines are available at the office and in the staff cantina. Information is also spread in the stores loudspeakers before store opening. Apart from all this there is of course an extensive amount of information to be found in manuals or in the Basic knowledge books but foremost on the Intranet.

Internalization is for sure the most important process for knowledge sharing at store level. The description of the observation of a day in the IKEA store illustrates this knowledge conversion mode. Learning by doing and on the job training take place everyday in the store. This is especially evident in the store where local Japanese co-workers learn about IKEA by working in the store. The YPPs stressed that it is important to be in the store and less in the office in order to learn local co-workers about IKEA and the work routines. This

was also necessary in order to explain and share ideas about proven solutions found in manuals or on the intranet as co-workers working in the store had little excess time to consult these tools as most of their time was spent on unpacking and to front, i.e. to display, products in the store as well as to serve customers. Learning by observation was also very important. Some of the Japanese people who perhaps not have got used to the IKEA way of working, i.e. to question, liked to observe in order to understand how to work or solve a certain problem. It was also stressed that all knowledge shared in the process of on the job training and learning by observation was very important and part of the IKEA culture. On YPP expressed that he felt that as he had learnt something from one of the expatriates, i.e. a person with great IKEA experience, he felt that he wanted to show his gratitude by serving on this knowledge to someone else. There is a lot of open communication at an IKEA store and rather than sending emails or memos people seemed to prefer meetings or going up to that person (the open landscape enables that).

In conclusion, from the participant observation it seems as if there is more emphasis on socialization and internalization than on externalization and combination. In relation to the study by Chini (2004: 95-99), as mentioned in the review of the SECI-model, these findings differ from her results. Chini found that internalization was the most used mode by units within a MNC. However, combination was also highly ranked. Still, it is important to stress that whilst Chini bases her study on a questionnaire the findings in this study are based on a participant observation and it is not within the aim of this study to *measure* to what extent the four knowledge creation modes were used. The observations illustrate a difference from Chini and it is therefore important to further elaborate on might potential explanations for why socialization and internalization was found as more important than externalization and combination. This will be further discussed in the following section.

Extended Discussion – Knowledge Sharing at Micro Level

The observations illustrate that at micro level internalization is the most common mode for knowledge sharing. This makes sense as the co-workers preferred to search for own and new solutions rather than consulting best practices found in manuals or on the intranet. Socialization was also evident, where new co-workers worked as apprentices and where employee rotation was encouraged. Externalization and combination were less evident. The reason for this was that not all co-workers knew where to find relevant information or how to interpret it. It was stressed that if you do not have the right IKEA knowledge you will not be able to interpret the enormous amount of data available in manuals and intranet. Another reason might be that externalization and combination relates more to issues related to a macro perspective, i.e. tools and mechanisms controlled at management level. In order to understand the interrelationship between micro and macro the framework by Nonaka (1994) should benefit from distinguishing individuals from collective/group as suggested by Cook and Brown (1999). This should actually correspond with the framework by Nonaka, following the argument by Nonaka and Toyama's (2003: 3) that it is important to recognize the

dialectic thinking and acting, which transcends and synthesizes such contradictions. Synthesis is not compromise. Rather, it is the integration of opposing aspects through a dynamic process of dialogue and practice.

The framework by Cook and Brown further emphasizes on the importance of incorporating the epistemology of practice.

Bridging epistemologies of possession and practice

From reading Nonaka and the article by Cook and Brown (1999) there are several interesting parallels that should be discussed. The view by Nonaka and his colleagues of both an epistemological and an ontological dimension are, in my readings, very similar to what Cook and Brown refer to as epistemology of possession. While Nonaka refer to the epistemological dimension of knowledge, i.e. tacit and explicit knowledge, and the ontological dimension of knowledge that individuals possesses knowledge, Cook and Brown (1999) suggest both the *epistemology of possession*, referring both to tacit and explicit knowledge *and* to individual and group (or organization) knowledge. The idea about the individual and group perspective can also be found in Spender's (1996) work on different types of organizational knowledge. Spender makes the distinction between tacit and explicit versus individual and social/collective. Spender (1996: 68) notes that;

while sharing may be important it treats the organization as little more than a library and communication system for the knowledge being generated and applied by individuals”.

It is therefore important to take a pluralistic view on knowledge and propose “*a dialectic relationship between both explicit and implicit categories and, between the individual and organizational categories and, reflecting the organization's underlying dynamism, between these two dialectics themselves*” (Spender 1996: 70).

While Nonaka and his colleagues speak of two types of knowledge Cook and Brown speak of four. In addition to the four types of knowledge Cook and Brown (1999:383) argue that not all that is known can be capture in knowledge but can rather be viewed as epistemic work as part of both practice and part of what is possessed in the head; i.e.

understanding of the epistemological dimension of individual and group action requires us to speak about both knowledge used in action and knowing as part of action.

In addition to the epistemology of possession the *epistemology of practice* is suggested. It is stressed that when adding knowing to knowledge it is possible to account for the relationship between what we know and what we do. Knowledge should be viewed as a tool for knowing and knowing is an aspect of interaction with the social and the physical world.

In relation Nonaka's discussion on the knowledge spiral, Cook and Brown (1999: 383) speak of the “*generative dance*” when expressing that new knowledge and knowing is created in the use of

knowledge as a tool of knowing within situated interaction with the social and the physical world.

Whereas Nonaka speaks of “*conversion*” Cook and Brown speak of “*generating*”. The interplay between knowledge and knowing seem to be closely linked to the discussion of the spiral where the interplay between the epistemological dimension and the ontological dimension create new knowledge. However, in relation to the framework by Nonaka, Gourlay (2006) notes that while Polanyi (1969) used knowledge as referring to a process as

“*knowing*” and not as an object as used by Nonaka. Easterby-Smith et al (2000: 789) notes that although Nonaka argues that;

knowledge is ‘being in the body’ and ‘learning by doing’, there is little treatment about the relationship between action and knowledge.

The argument put forward in this article is that only when studying knowledge sharing at micro level it is possible to study the actual relationship between action and knowledge.

Another interesting parallel is the discussion of Bas, where Nonaka et al (2000: 16-19) make a distinction between individual and collective interaction and either face-to-face or virtual as type of media. This distinction can be related to the categorization suggested by Cook and Brown (1999) regarding individual and organizational and media as face-to-face refers to tacit and virtual as explicit knowledge. Peltokorpi et al (2007) builds on the work by Nonaka (1994) focusing on contextual innovation and knowledge creation process. In this article Nonaka and his colleagues seek to provide a holistic view in order to illustrate that “*knowing*” should not be viewed as separated from “*context*”. It is interesting that Nonaka and his colleagues in this article discuss “*knowing*” rather than knowledge. It is also interesting that there is no reference made to Cook and Brown (1999) to the discussion about the difference between knowledge and knowing.

Useful practices rather than best practices

Cook and Brown (1999) stress that much work on knowledge rests on the notion that knowledge is something that is possessed, which favors the distinction of tacit and explicit knowledge. The distinction of explicit and tacit knowledge exemplifies two dominating views of the knowledge-based view of the firm (Kalling & Styhre 2003). One view is that knowledge is primarily captured and shared through information technology (IT) or information systems (IS). The other view is that knowledge is socially embedded expressed in communities of practice and through a dialogue between human beings. As pointed out by Tell (1997:205) there are researchers who points towards tensions between knowledge development and organizational practice. Among these are eg Tsoukas (1996) who focus on activities and practices in knowing rather than on knowledge typologies. Tsoukas (1996: 14) argue that typologies of knowledge, i.e. being tacit or explicit as well as individual or collective, limit our understanding for organizational knowledge;

typologies are based on the assumption that an observer is able to discern certain systematic similarities and differences (i.e. forms) between the objects of study.

Furthermore, Tsoukas (2003: 426) argues that;

Tacit knowledge cannot be ‘captured’, ‘translated’ or ‘converted’ but only displayed, manifested, in what we do. New knowledge comes about not when the tacit becomes explicit, but when our skilled performance – our praxis – is punctuated in new ways through social interaction.

However, these views on knowledge do not necessarily have to be viewed as either or. Hong et al (2006) refer to Cook and Brown (1999) and their discussion about knowledge and knowing suggesting that a cognitive/knowledge oriented perspective on knowledge sharing refers to knowledge while a social/contextual perspective refers to knowing. It is stressed

that these perspectives should not be viewed as in conflict but that it would rather enrich research to integrate those. In addition, as noted by Tell (1997), the Nonaka framework actually takes place in practical activities within the firm.

Despite definitions whether knowledge is tacit, explicit, personal or organizational and how that effect the knowledge sharing process still do not provide a full understanding for knowledge sharing. Orlikowski (2002: 253) argues that;

existing approaches to studying distributed organizing tend to focus on the importance of knowledge transfer across boundaries, and the value of generating a set of 'best practices' that can be propagated through the dispersed operations. A view of knowing as enacted in practice does not view competence as something to be 'transferred', and suggest that the very notion of 'best practices' is problematic. [...] Rather, competence generation may be seen to be a process of developing people's capacity to enact what we may term 'useful practices' – with usefulness seen to be a necessary contextual and provisional aspect of situated organizational activity.

The underlying argument interesting for this research is the importance of studying the daily work in order to understand what people do when new knowledge is created and shared. Orlikowski (2002: 271) notes that;

[...] sharing 'knowing how' can be seen as a process of enabling others to learn the practice that entails the 'knowing how'.

This can also be related to Nonaka et al (2000: 6) argument, as earlier described, that;

instead of merely solving problems, organizations create and define problems, develop and apply new knowledge to solve the problems, and then further develop new knowledge through the action of problem solving. The organization is not merely an information processing machine, but an entity that creates knowledge through action and interaction.

Tell (2004: 444) writes that;

[...] what members of an organization know seems highly interrelated with what they do; that is, the practicing of their skills in social context.

However, to solely focus on what people do, i.e. if knowing is equated to doing, will provide little insight to organizational knowledge (Tell 2004). In order to be able to study organizational knowledge Tell (2004) draws attention to justification contexts, i.e. in what contexts are knowledge justified. Inspired by studying organizational knowledge in its context this study focus on the context of how best practices are shared and used at micro level. To study the organization environment in which knowledge is created and shared was also suggested by Brown and Duguid (2001).

What does the discussion on knowing and knowledge leaves us with? What arguments should be beneficial to incorporate to the Nonaka framework in order to fully understand knowledge sharing – both at micro and macro level? As stressed from the participant observation there was a greater emphasis on socialization and internationalization. This can be related to the view of knowing in practice and that co-workers preferred to search for own and new solutions rather than consulting best practices found in manuals or on the

intranet. Another interesting observation is the role that the YPPs have for IKEA in a new market like Japan. Where culture and context are different from the home market and corporate culture it was stressed that it is important to educate local Japanese co-workers in what Orlikowski (2002) refers to as useful practices. As stressed there was a risk that the Japanese co-workers would acquire the best practices like gospels. However, part of the IKEA work routines is to question proven solutions, which in a sense could be viewed as contradictory to the idea about best practices. It was therefore important that the YPPs shared useful practices and at the same acknowledging that there may be other solutions, encouraging them to find their own solutions. Here learning by doing as well as learning through observation was very important. The role of the YPP can in this context be viewed as educating the Japanese co-workers how to interpret best practices and in order to be able to interpret these it is necessary to have knowledge about the corporate culture and the origins of the Swedish home furnishing company, i.e. knowledge (both tacit and explicit) that the YPPs possessed. In the IKEA case it is clear that certain routines are possible to transfer and that through certain mechanisms such as e.g. the YPPs these are possible to control. However, it was also noted that certain routines are not viewed as best practices but rather as useful practices as there was an expressed need to be able to feel that you are part of something and that you are entitled to try to solve certain problem by your self or at least within your BA together with your co-workers. Thus, by incorporating the concept of knowing in ractice, will increase our understanding for knowledge sharing at micro level by addressing the importance of studying what people do in their work, rather than focusing on what they know.

In conclusion, from the extended discussion a tentative framework for studying knowledge sharing at micro level is suggested acknowledging the interrelationship with how knowledge is shared at macro level. As stressed there are many similarities between Nonaka and Cook and Brown and the reasoning for the SECI model should benefit from incorporating the dimension of individual and organization in order to better understand the macro and micro perspective on knowledge sharing. It follows a holistic perspective on knowledge sharing and adopt the view that *“learning in the workplace is to be understood both as cognitive and a social activity”* (Gherardi et al 1998: 273). It is suggested that these views can be merged into the SECI model without losing the meaning of the four different knowledge conversion processes. It was illustrated that socialization and internalization refer more to action in practice and sharing of use of useful practices whereas the modes for externalization and combination more relates to best practices which are defined by the organization at macro level. The framework is extended by adding a micro and a macro perspective in order to clarify the difference between acquiring best practices and sharing useful practices.

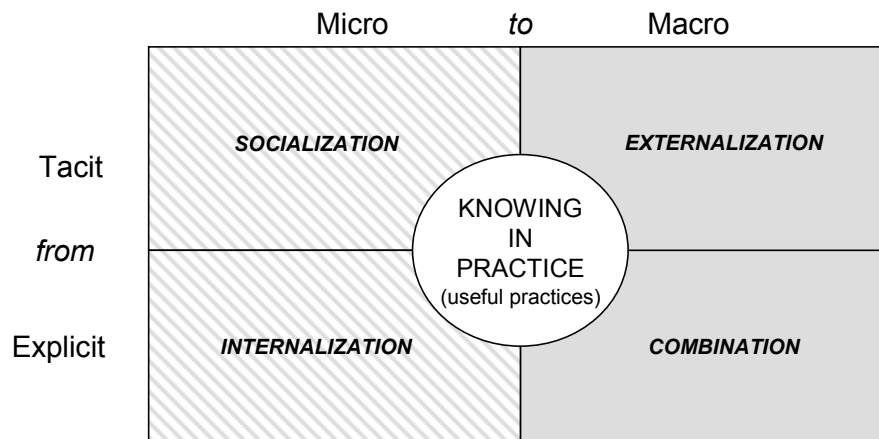


Figure 2. A tentative framework for studying knowledge sharing, taking both a micro and a macro perspective. A development from Nonaka (1994), Cook and Brown (1999) and Orlikowski (2002).

Conclusion

The aim with this article was to increase our understanding for how organizational knowledge is created and how best practices are shared and used in an organization in order to carry out daily work routines and solve emerging problems. The study illustrates the importance of taking a micro perspective. The participant observation took its starting point in the SECI-model by Nonaka and various tools and mechanisms for how to share best practices within the organization as suggested by Chini (2004). However, from the observation it was found that there was less of sharing best practices and more of knowing in practice, i.e. where the co-workers together solved the ongoing work routines and emerging problems. It was obvious that there may be a contradiction between how the organization view upon strategies for how knowledge is created and shared versus the individual perception, where it was stressed that it is important to get a feeling of participation and when everybody gets to “*use their brains*”. Arguing that, it becomes clear that it is important to distinguish between micro and macro. The suggested framework is in line with Leiter et al’s study (2007) that it is important to separate the individual’s perception of how he/she contributes to knowledge sharing and what and how the organization contributes to knowledge sharing. It has been illustrated that it is important to separate what motivates knowledge sharing at an individual level and at an organizational level. Quigley et al (2007) stress that it is important to understand motivational mechanisms both for the knowledge provider and the knowledge receiver that underlies knowledge sharing and performance. Osterloh and Frey (2000) argue that managers need to consider both extrinsic and intrinsic motivational aspects when forming an organization in relation to knowledge creation and knowledge sharing of both tacit and explicit knowledge. To further understand the relationship between individual and organizational knowledge is could be useful to focus on the nature of task and the nature of interaction as suggested by Bhatt (2002) who found that corporate culture is important to understand in order to support this relationship.

Obviously, the aspects stressed here need to be investigated in greater detail. This was a first attempt to study knowledge sharing at micro level. In terms of limitations, these findings are grounded in an observation performed only during one week. Naturally, more aspects

could have been found through a longer observation. However, due to the fact that interviews had been performed within the research project enabled me to search for aspects as stressed in the interviews (as well as search for aspects that were not expressed in interviews). Tools and mechanisms for how to share knowledge, as identified in interviews, were not always used. Knowledge sharing at micro level was of more practical nature where a lot of knowledge was shared through communication and learning by doing, thus emphasizing more on knowing in practice rather than sharing of best practices.

By studying how knowledge is shared at micro level this research may be able to contribute to practical implications for managers in terms of an increased understanding for how to set up strategies for knowledge sharing. Following Yanow's (2004) suggestions that managers need to increase their understanding for knowledge in the periphery of the organization, i.e. at lower levels within the organization, this study should contribute to such need. It is clear that it is important to understand knowledge sharing both from a macro and a micro perspective and that it is not always preferable to solely rely on sharing best practices. This finding supports the argument by Tsoukas and Vladimirou (2001) that managers must understand how to manage heuristic knowledge, i.e. knowledge developed by employees in their daily work. It is stressed that it is probably more important to understand social relations and less how to store digital information. Furthermore, the argument by Hansen et al (1999) on 20/80 rule for choosing either a personification or codification strategy will have to be evaluated in relation to both a micro and macro perspective in order to understand how to balance the use of best practices versus useful practices as used for knowing in practice. This is important to acknowledge as it is important to differentiate how knowledge is shared at macro and micro level.

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