The role of knowledge sharing in SMEs’ innovation and internationalization process
A case study: Monnalisa Spa

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Introduction

Knowledge is increasingly being considered as the most important resource in organizations. According to the knowledge-based theory, this intangible resource is intrinsically valuable, difficult to imitate and rare, these properties making it a source of competitive advantage.

If organizations have to benefit from the knowledge they possess, they have to understand how to manage it, that is they have to put a great emphasis on knowledge creation, sharing and utilization activities.

The difficulty of yielding competitive advantage from knowledge depends on its social and dynamic nature. In fact, it results to be embedded in individuals’ minds and in their skills in an ever-evolving learning process. Thus, for a company to achieve the long-term sustainability, that knowledge must move to group and organizational level. Managing it is only possible if people are able to share the knowledge they have and build on the knowledge others have.

It derives that knowledge sharing, that is the process by which knowledge held by an individual is transformed into a configuration that can be understood, assimilated and applied by others, represents the most crucial phase of knowledge management.

The relevance of knowledge sharing is even higher when referring to small-medium enterprises. Their narrow scope of operations coupled with their low control of strategic resources make necessary to rely on what individuals know. For long, the peculiarities of knowledge sharing with regard to them have been overlooked. Given that they constitute 98 percent of all European enterprises, they can no longer be ignored.

Our work frames the discussion on knowledge sharing within the SMEs’ context and, particularly, it aims at investigating the effects of knowledge sharing on innovation and on internationalization process, both representing the SMEs’ fundamental challenges for surviving in the market environment.
With regard to the former challenge, speed of innovation has incredibly accelerated and, hence, it has become more complex and difficult to attain. Changes driven by technological advances, competition and customer needs require organizations to be always ready to generate, integrate and reformulate knowledge in new alternative ways, that is to possess innovation capabilities. So, innovation capabilities strongly depend on knowledge availability and exploitation. We propose to study and demonstrate how knowledge sharing positively affects SMEs’ innovation performances.

With regard to the latter challenge, given the complexities posed by operating in foreign markets, SMEs cannot rely solely on internally generated knowledge in order to be successful, but they should be able to shift knowledge management to an inter-organizational level. Knowledge sharing which comes out from SMEs relationships with suppliers and clients, hence, becomes a necessary condition for appropriately monitoring foreign market operations and to gain insights on their specific competitive and operative conditions, culture and customer preferences.

In the first chapter, after having provided a taxonomy of knowledge, we will introduce the knowledge management framework, from which the key role of knowledge sharing will emerge. Then, we will treat knowledge sharing from the small-medium enterprises’ perspective, a focus that we will keep henceforth. After having provided a brief overview of the main barriers to knowledge sharing that SMEs have to face, we will systematize the antecedents of knowledge sharing, which we will divide into individual, organizational and technological factors. In this way, we intend to better understand how each element facilitates or hampers knowledge sharing behaviors. Lastly, we will define absorptive capacity, which plays a bridge role between what is outside and what is inside the organization.
In the second chapter, we will analyze the relationship between knowledge sharing and innovation by showing how some knowledge sharing enablers also lead to more effective innovation performance. Then, we will examine the role of knowledge sharing in SMEs’ internationalization. In regard to this, we will illustrate the different types of knowledge SMEs should be provided with and we will speculate about the complexities they face in managing knowledge during their internationalization process. Subsequently, we will review the diverse role that the main theories on SMEs’ internationalization have attributed to knowledge.

Lastly, the third chapter is dedicated to the case study of Monnalisa Spa, an Italian small-medium enterprise whose empirical analysis will offer the opportunity to compare our findings with the extant theories on SMEs’ knowledge sharing presented in the previous chapters. The data have been collected through both questionnaires and interviews. We have drawn up a questionnaire based on a seven-point Likert-type scale through which we have asked to Monnalisa’s employees to evaluate how they perceive at Monnalisa knowledge sharing, innovation and the most important technological, organizational and individual factors predicted to influence knowledge sharing. By analyzing questionnaires’ results we will verify the correlation between: a) the selected independent variables and the two knowledge sharing dimensions (i.e. knowledge donating and knowledge collecting); b) the selected independent variables and the degree of innovation; c) the two knowledge sharing dimensions and both organizational and individual innovation. Next, we will integrate our quantitative results with qualitative results drawn from interviews made to managers at Monnalisa. Through interviews, firstly, we will examine in depth the way in which Monnalisa’s organizational architecture facilitates knowledge sharing and the role attributed to knowledge in innovation processes. Second, we will explore the relationship between knowledge sharing and internationalization process.

1.1 What is knowledge and its strategic relevance in organizations’ competitiveness

According to the resource-based view, to enable sustainable competitive advantage, the organizational intangible and tangible resources must be valuable, rare, imperfectly imitable (Barney, 1991).

The knowledge-based view of the firm (Nonaka e Takeuchi, 1995; Spender and Grant, 1996) represents the extension of the resource-based view, firstly theorized by Penrose (1959), and it considers intellectual resources to constitute the most strategically significant organizational assets which contribute to sustainable competitive advantage.

The knowledge-based theory argues that the validity of tangible assets as sources of competitive advantage depends on how they are combined and applied; ultimately, such abilities are a function of knowledge. Organizational knowledge represents the outcome of the organization’s learning processes at any given time and, hence, it is intrinsically valuable (Nelson and Winter, 1982). It is rare, because of its path dependence, that is it is created through firm-specific learning experiences (Nanda, 1996). Organizational knowledge results to be difficult to imitate since it is causally ambiguous, namely it is integrated in and flows through several organizational entities, including organizational culture, routines, data, as well as individual employees.

The knowledge-based theory postulates that such assets may produce long-term competitive advantage.

As we will examine in depth later, those firms which effectively leverage and manage knowledge assets are more likely to benefit from better customer
responsiveness, better and more rapid decision making, innovation, improved corporate agility, cost reduction, more rapid product development. Thus, better use of existing knowledge and more effective acquisition and assimilation of new knowledge become the business imperative (Thurow, 1996).

Before addressing the specific topics, it would be proper to provide a taxonomy of knowledge.

Knowledge is considered to be a set of information possessed in the mind of individuals, values and experience (Davenport and Prusak, 1997), which provides a framework to apply to decisions and actions. Its nature is intangible, fluid, personal, elusive and ever evolving (Gorelick and Tantawy-Monsou, 2005). Whatever the type of knowledge we talk about, three characteristics distinguish it from information. First, knowledge is a function of a particular cognitive pattern, and hence, is a product of individuals’ beliefs and commitment. Second, knowledge has always some end, so that it is related to action. Third, it is context specific and relational (Nonaka and Takeuchi, 1995).

The most accepted segmentation is that between tacit and explicit knowledge, conceptualized earlier by Polanyi (1962) and later by Nonaka (1994). The explicit dimension of knowledge can be articulated, codified and communicated to others in symbolic forms; the tacit dimension is difficult to communicate to others as information, reflecting an individual’s know-how and skills deriving from past experiences and applicable to specific contexts. Eraut et al. (2000), together with other scholars, further argue that tacit knowledge has a higher degree of complexity comparatively to explicit, given that it cannot be transferred but through apprenticeship and experience. For this reason, it makes sense to regard tacit knowledge as the most important for competitive advantage, this holding especially for innovative-firms, where tacit knowledge sharing among members is crucial for dissemination and application
of innovative ideas. While explicit knowledge sharing can be facilitated by information and communication technology, tacit knowledge sharing depends on people and their interactions. Asserting that tacit knowledge is skill-based and people-intensive infers that people are important also as accumulators and producers of invisible assets (Itami and Roehl, 1987; Bonoma, 1985; Reed and De Filippi, 1990).

Spender (1996) formulated an extension of Nonaka’s classification by a matrix, whose dimensions were tacit-explicit and individual-social, leading to four types of knowledge (Table 1).

<table>
<thead>
<tr>
<th></th>
<th>Individual</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>** Explicit</td>
<td><em>Conscious Knowledge</em> (e.g. knowing facts or syntax of a programming language)</td>
<td><em>Objectified Knowledge</em> (e.g. a firm’s operating manuals and formal rules and policies)</td>
</tr>
<tr>
<td>** Tacit</td>
<td><em>Automatic Knowledge</em> (e.g. riding a bicycle)</td>
<td><em>Collective Knowledge</em> (e.g. organizational culture)</td>
</tr>
</tbody>
</table>

Table 1. Spender’s knowledge taxonomy

However, there is another taxonomy which results to be more useful for understanding the complicated process of knowledge management. Such taxonomy developed by Johannessen et al. (1999) was derived from the distinction between knowledge easily communicated to others and knowledge difficult to communicate to others (Polanyi, 1962), and the distinction between attainable and comprehensive knowledge and attainable but difficult to comprehend knowledge (Polanyi, 1958) (see Table 2).
Having explained the meaning of tacit and explicit knowledge, we provide a brief explanation of the other types.

Systemic knowledge is the understanding of people’s reciprocal expectations and norms, technology systems and the relationship between them (Johannensen et al., 1999). People with systemic knowledge are able to see how their branch of knowledge interact with other branches of knowledge (Johannensen et al., 1999). If the degree of such knowledge is similar among organizational members, similar interpretations of opportunities and challenges for the company will be developed. Even though it is relatively easily communicated, it could be difficult to comprehend, since it relates to the cognitive dimension of individuals’ perspectives and perceptions (Johannensen et al., 1999). The extent to which it would be proper for organizational members to share the same knowledge structure and the extent to which it would be proper to have different perspectives and knowledge base has been discussed. According to Cohen and Levinthal (1990), the organization should try to have a balance between the two, the first being necessary for effective internal communication while the second being necessary for innovative capabilities development.

Relationship knowledge, instead, answers to the question “who we know”; it is the social capability to establish relationships with specialized groups provided with the expertise and knowledge sought after (Lundvall and Johnson, 1994).

<table>
<thead>
<tr>
<th></th>
<th>Attainable and easy to comprehend</th>
<th>Attainable but difficult to comprehend</th>
</tr>
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<tbody>
<tr>
<td><strong>Easy to communicate</strong></td>
<td><em>Explicit Knowledge</em></td>
<td><em>Systemic Knowledge</em></td>
</tr>
<tr>
<td><strong>Difficult to communicate</strong></td>
<td><em>Relationship Knowledge</em></td>
<td><em>Tacit Knowledge and Hidden Knowledge</em></td>
</tr>
</tbody>
</table>

Table 2. “A typology of knowledge” (Johannensen et al., 1999: 128)
Hidden knowledge, together with tacit knowledge, is the most complex type, being both difficult to communicate and difficult to comprehend. In fact, it represents the mental paradigm through which persons think and act; it answers to the question “how we know” (Johannessen et al., 1999).

It is important to precise that all knowledge is mutually complementary and non-reciprocally exclusive (Johannessen et al., 1999; Nonaka and Takeuchi, 1995). All knowledge consists of some aspects which cannot be externalized and other aspects which can be captured (Hildreth and Kimble, 2004). Even when knowledge is made explicit, this will always continue to have nuances trapped in our thoughts which cannot be articulated. Furthermore, hidden knowledge is the filter through which the other types are generated and comprehended.

1.1.1 The dynamic nature of knowledge creation

“Knowledge requires knowers, so its processes are interwined with human activity and experience” (McInerney, 2002).

Rather than information held on databases and on paper, knowledge flows among organizational members and changes over time, given its active and social dimension.

Hither we provide an in-depth analysis of the difference between tacit and explicit and we explore the connection and the synthesis of an individual’s knowledge with others’ knowledge.

Nonaka and Takeuchi (1995) proposed the SECI model of knowledge dimensions, useful to comprehend how the process of knowledge creation works. They identified four ways of knowledge conversion, which describe a spiral growing progressively with the rounds done. The authors assert that tacit
knowledge conversion and the clockwise path are a necessary condition for organizational learning to happen. Several recent studies have confirmed and validated such a model (Sabherwal and Becerra-Fernandez, 2003; Dyck et al., 2005; Schulze and Hoegl, 2006).

Table 3 The spiral of knowledge creation (Serrat, 2008: 3)

- **Socialization (Tacit to Tacit).** Knowledge passes on through social interactions. Given that the tacit nature makes it difficult to formalize, the only way to share it is by apprenticeship or face-to-face communication. Even though socialization is one of the most effective means for knowledge creation, it is also the most complex and time consuming. The apprentice can learn the master’s skills, but both of them lack a systematic approach to such knowledge and until it becomes explicit, it will be difficult to be leveraged by the organization as a whole (Nonaka, 1991)

- **Externalization (Tacit to Explicit).** At this second step, individuals become able to articulate the foundations at the base of know-how. Giving expression to the inexpressible may be obtainable through figurative language and symbolism. Metaphors and analogies enable
individuals to crystallize concepts and embody them in a model (Nonaka, 1991)

- **Combination (Explicit to Explicit).** This is the simplest step, where nothing is created, rather discrete forms of already codified knowledge are assembled into new forms. However, this makes it possible to analyze and approach incoming challenges.

- **Internalization (Explicit to Tacit).** The sharing of explicit knowledge throughout the organization lets the employees internalize it. Internalizing means to enrich, modify and re-formulate their pre-existing tacit knowledge.

A central goal of organizational knowledge creation is to establish conditions which are supportive for innovation and learning improvements (Nonaka, 1994; Nonaka and Takeuchi, 1995; von Krogh et al., 2000). The strategic feature of knowledge stems from the fact that organizational knowledge creation is idiosyncratic. Even though firms discount some similarities, they generate different knowledge outcomes (Nonaka et al., 2006) because of the firms’ different sets of enabling conditions, irreproducible organizational members’ experiences and the like. A firm’s specific context has been named *ba* by Nonaka and Konno (1998), which can be thought of as “a shared space for emerging relationships” (Nonaka et al.; 2006: 1185) where knowledge can stream along the SECI conversion phases. Ba is not only physical, since it may be also a mental or a virtual space (Nonaka et al., 2006). The authors distinguish four ba types, each corresponding to a stage of the SECI spiral. *Originating ba* corresponds to the socialization phase and it indicates a shared system of feelings, experiences and mental schemes (Nonaka and Konno, 1998). *Interacting ba* relates to the externalization phase, thus indicating skills and perspectives communicated in understandable terms through dialogues (Nonaka and Konno, 1998). *Cyber ba* supports the combination stage (Nonaka and
Konno, 1998). Here ba is mainly virtual, being represented by groupware, online networks, documentation and so on. *Exercising ba* enhances the internalization phase (Nonaka and Konno, 1998). Here ba is mainly represented by job training and active participation.

We have seen that knowledge is a valuable dynamic resource which needs to be managed in a very careful manner. This means that knowledge management should strive to convert internalized tacit knowledge into explicit in order to share it (Nonaka and Takeuchi, 1995), but at the same time it should also enable individuals to internalize and render personally meaningful any codified explicit knowledge.

Now, we furnish a more systematic view of what knowledge management is.

### 1.2 Knowledge management framework

Knowledge management is the generation, representation, deposit, transfer, transformation, exploitation, integration, and protection of organizational knowledge (Schultze and Leidner, 2002). Thus, it encompasses managerial practices of diverse nature, like information technology (Anand et al. 1998), organizational structure (Wenger, 2000) and human resource policies (Ulrich, 1998). Many frameworks for knowledge management processes have been developed, but the one proposed by Davenport and Prusak (1998) has received the widest consensus. According to them, knowledge management implies knowledge generation, sharing and utilization. A similar process has been identified by Maurer et al. (2011), who speculate on the mobilization, assimilation and use of knowledge.

Knowledge generation (or mobilization) entails the search and identification of useful resources from outside and within the organization. Knowledge sharing
(or assimilation) refers to the transfer or dissemination of knowledge from a source unit to a recipient unit (Lavanya, 2012), that may be from one person to another, or from one group to another group. Finally, knowledge utilization involves the actual application of the acquired knowledge for performing tasks and attaining organizational outputs.

Some scholars refuse to consider knowledge sharing and knowledge transfer as interchangeable concepts, suggesting that knowledge transfer describes the movement between different units, divisions or organizations, rather than individuals (Lam, 1997; Szulanski et al., 2004). However, since we believe such a distinction not to be particularly meaningful, it will be ignored in our work.

Knowledge management may be conceptualized through a framework which uses four dimensions to leverage such intangible assets (Kaps, 2011): information technology systems, processes, people and culture. Certainly, the major factors in knowledge management are represented by people and culture. Information technology systems play a minor part. They can disseminate information and increase the opportunities to communicate, but it takes human systems to make knowledge sharing happen. Only people can convert information into knowledge, since thinking is a prerequisite (McDermott, 1999). Furthermore, organizational culture exerts influence on the other three dimensions of knowledge management framework (Kaps, 2011). With regard to people, culture shapes assumptions about what kind of knowledge is relevant, it governs the social interactions by which knowledge is shared, besides prescribing the norms regarding the distribution and ownership of knowledge within organizations (Staples and Jarverpaa, 2001). With regard to processes, culture orientates employees’ practices and poses opportunities to share knowledge. Depending on the type of dominating culture of the firm, there may be a higher or lower degree of knowledge sharing opportunities, both formal and informal. With regard to information systems, it determines people’s acceptance and inclination for using new technologies.
Considering that culture represents the decisive element in the abovementioned knowledge management framework, also the challenges it poses are considerable. We can identify four main challenges: the communication style, the conception of knowledge as a power tool, trust and language (Kaps, 2011), all related to one another.

Different communication styles, be they implicit and vague or explicit and precise, prompt different knowledge exchange opportunities. On the one hand, an implicit communication approach makes use of metaphors and stories, so that it may require physical meetings especially in informal situations (e.g. lunch) for developing interpersonal relationships, expressing concepts and transferring information. On the other hand, a more explicit communication approach uses tables and figures for stressing arguments, so that knowledge exchange may also occur by written emails and phone calls (Kaps, 2011). Apart from the occasions for communicating, the vertical and horizontal flow of knowledge across organization units and hierarchical levels depends on the extent to which this is perceived to be associated with power. In general, it can be asserted that when an implicit communication style is present, it is more likely the flow of knowledge. In fact, in informal circumstances where social relations are developed, it is less likely to hoard knowledge for holding control and command positions. In turn, without the existence of trust within a company nobody would be willing to share valuable learning (Kaps, 2011) and especially implicit communication style would be unlikely to be implemented, given the difficulty to create trusty relationships. Finally, language poses a challenge as misunderstanding and knowledge hoarding may simply be caused by the incapacity to express oneself (Kaps, 2011).

It is clear that culture may either facilitate or foster knowledge sharing among organizational members and that ignoring the cultural aspect would make the implementation of knowledge management practices ineffective.
Beyond cultural challenges, there are further critical knowledge management challenges relative to people and processes, such as the need for knowledge management metrics (Alavi and Leidner, 2001), employee training, and the need for implementing a knowledge management strategy. The measurability of the contribution of knowledge to the firms’ performance outcomes is crucial in knowledge management. Firstly, because this allows to evaluate, monitor and ameliorate knowledge processes (Wong, 2005). Secondly, measuring the effect of knowledge positively affects the organizations’ efforts towards knowledge management.

Then, employee training provides them with skills and awareness to fulfill their duties and, hence, it is fundamental for knowledge generation.

1.3 The key role of knowledge sharing in knowledge management

If people, who are the knowledge repositories, desire to achieve the long-term sustainability and the success of the company, they must move their knowledge and skills to group and organizational levels (Nonaka, 1994). Knowledge sharing is essentially the process by which knowledge held by an individual is transformed into a configuration that can be understood, assimilated and applied by others (Ipe, 2003). The crucial element in knowledge sharing, hence, is the degree to which conveyed knowledge is accepted, understood and valued to be useful by the recipient. Only when this occurs, the recipient will be able to utilize it for his own and the organization’s advantages. We may state that knowledge sharing encompasses the four stages of SECI model. Since individuals in organizations have always created and transferred knowledge, knowledge sharing has been considered a natural function of workplaces for long (Chakravarthy et al., 1999). Yet it has recently been receiving more attention.
According to Bartol and Srivastava (2002), four mechanisms of knowledge sharing can be distinguished: individual contribution to databases, formal interaction within and between firms, knowledge sharing across work-units and knowledge sharing through informal interaction.

There is a growing realization that the success of knowledge management is crucially determined by knowledge sharing. Knowledge management is not restricted to building knowledge and storing it somewhere within the organization. It cares about leveraging the value of such knowledge. So, the cornerstone of knowledge management does not concern monitoring and consulting existing documents, rather it deals with knowledge sharing.

Given the dynamic and social nature of knowledge, managing it is only possible if people are able to share the knowledge they have and build on the knowledge others have.

It is only through knowledge sharing that knowledge becomes a strategic driver for competitive advantage, being the means for organizational and individual learning to happen (Alavi and Leidner, 2001). The strategic relevance of knowledge sharing stems from the fact that it can improve individual, unit task performance up to the whole organization’s performance. Haas and Hansen (2007) have mentioned three task performance outcomes: time savings, work quality and evidence of competence so that this can be externally recognized. These three intermediate outcomes can be thought of in individual, group or organizational terms. In each case, they depend on the effective handover of knowledge (Haas and Hansen, 2007). They may translate into improved productivity and product development, faster decision making, quick response to business issues, and so on.

As a consequence, knowledge sharing is responsible also for favoring ultimate outcomes, such as innovation or increased market share, by integrating knowledge about customer needs, competition, commercial potentials, best
practices and the like into organizational routines and every day activities (Thorpe et al., 2005).

1.3.1 Knowledge sharing dimensions: knowledge donating and knowledge collecting

In his study, Lin (2007) splits knowledge sharing processes into knowledge donating and knowledge collecting. Knowledge donating refers to the employees’ willingness to actively communicate with colleagues. This allows individual knowledge to become group and organizational knowledge over time, thanks to employees’ willingness to collaborate with each other. On the other hand, knowledge collecting is about actively consulting with colleagues to learn from them, that is the employees’ willingness to collect knowledge in order to internalize and socialize with it.

These definitions imply that every knowledge process entails both bringing knowledge and receiving knowledge (Van den Hooff and De Leeuw van Weenen, 2004).

It has been elucidated that the two processes can be expected to be influenced in different measures by knowledge sharing enablers. (De Vries et al., 2006). However, even though we admit that the intensity of their influence varies according to the dimension considered, Lin (2007) has found that some knowledge sharing enablers are positive related to both knowledge donating and knowledge collecting.

1.4 Small-medium enterprises’ contextualization of knowledge sharing analysis

So far, we have framed the topic within a general perspective. Henceforth, we will consider knowledge sharing in the context of small-medium enterprises.
The European Commission’s Annual Report of European SMEs (2012) suggests some figures which justify our choice of focusing on SMEs\(^1\). It has been estimated that, in 2012, European SMEs accounted for more than 98 percent of all enterprises and 67 percent of total employment. SMEs are prominent also in the USA\(^2\).

This incredible proportion suggests that we cannot ignore their knowledge management peculiarities with respect to those of large enterprises. Generally, they have low levels of knowledge management owing to the scarcity of financial, technological and other organizational resources (Beaver and Jennings, 2005).

However, it has been argued that the emphasis on knowledge is paramount for small-medium enterprises (Wiklund and Shepherd, 2003). It is actually their narrow scope of operations coupled with their low control of strategic resources that make it necessary to rely on what individuals know (Wiklund and Shepherd, 2003).

The nature of knowledge is mostly tacit there (Cohen and Kaimnekais, 2007). But the strength of tacit knowledge, which is its difficulty to be transferred or copied, also poses a challenge. According to Nonaka and Takeuchi (1995), tacit knowledge should be converted into explicit in order to make it useful. But much of what makes knowledge a strategic asset for SMEs is its non-replicability, a property of tacit knowledge which would be lost by codification (Wong and Radcliffe, 2000). So, SMEs mostly transfer valuable tacit knowledge through an implicit mode (Schenkel and Teigland, 2008), that is through socialization. Due to the private nature of organizational memory, which mostly resides in the owner’s mind and which is generally not codified or mapped, other organizational members cannot combine knowledge or directly apply it without firstly getting it by socialization activities. Once internalized, this is directly

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\(^1\) In the European Union, SMEs are defined as firms with no more than 250 employees and with an annual turnover not exceeding 50 million euros (EU recommendation 2003/361).

implemented to carry out tasks (Schelton, 2001). Employees are in close contact with each other as well as with the firm’s owner, so that the flow of knowledge is bidirectional and experiences and skills are transferred through observation, direct practice and conversations on a daily basis.

In general, SMEs are characterized by more resilience, entrepreneurial orientation inherent in the owner’s way of doing business, organizational environment more supportive for rapid change and innovativeness, and more cohesiveness of employees.

Because SMEs are too small to grow through acquisition, they pay much attention to and devote considerable effort to relational integration within supply chains (Meeus et al., 2001), especially when competitive and innovation pressures are strong. They are well connected with the localities where they operate, being able to exploit external knowledge for business ends (Desouza and Awazu, 2006).

It has been proved that the responsiveness of SMEs is likely to augment if they strongly develop capabilities in external knowledge acquisition and intra-firm knowledge dissemination (Matusik and Heeley, 2005), which results as being decisive for aligning them with external environments (Liao et al., 2007). Such features may facilitate communication and knowledge propagation comparatively to larger organizations. Nonetheless, they bear some disadvantages, which we discuss in the following paragraph.

1.4.1 SMEs’ barriers to knowledge sharing

No empirical evidence has been found with regard to particularly different knowledge sharing barriers which SMEs would bear comparatively to large companies (Riege, 2005). However, it seems that SMEs operating in single locations benefit from a more conducive environment for knowledge sharing,
mostly thanks to the close contacts developed among organizational members. But they worsen their situation as they expand to multiple locations. In this case, they discount some disadvantages vis-à-vis large companies, since problems related to limited size and scarcity of resources more than offset benefits (Riege, 2005). We will analyze SMEs’ expansion challenges in the next chapter.

In listing various knowledge sharing backstops faced by SMEs, Riege (2005) divides them into individual and organizational ones.

Employees may not want to share because of the sense of losing control and authority over knowledge (Pfeffer and Sutton, 1999). Some workers may want to take ownership of it to receive accreditation from the other members (Jarvenpaa and Staples, 2001; Murray, 2002; Rowley, 2002). Yet, the aversion to change (McDermott and O’Dell, 2001), the lack of understanding the knowledge they hold or the benefits coming from sharing represent other reasons of resistance. Employees may be reluctant also simply because they are not able or do not have the time to integrate knowledge sharing activities into their everyday duties (Cabrera and Cabrera, 2002). It is also likely that they do not perceive the top management support in applying new ideas to their work.

Cabrera and Cabrera (2002) have conceptualized knowledge sharing as a particular case of social dilemma, whereby organizational knowledge is a public good. Employees can access knowledge even though they do not contribute to its formation and transfer. If every employee could enjoy the benefits of knowledge shared without bearing the costs coming from the contribution, no one would cooperate, that is everyone would end up free riding.

This is another risk underlying knowledge sharing processes.

The biggest potential organizational barrier faced by organizations is represented by organizational culture (McDermott and O’Dell, 2001; Bartol and Srivastava, 2002). The reason why SMEs should fuel favorable conditions for knowledge sharing is that obstacles are mostly posed by the organizational
culture and at SMEs people are usually blended by common beliefs and cognitive schemes that can be relatively easily shaped by the owners. Nevertheless, it cannot be taken for granted that the kind of culture fostered by the small businesses’ owners suit knowledge sharing processes.

Theoretical contributions have highlighted that small firms tend to lack a strategic approach in knowledge management, being more concerned about the day-to-day viability (Riege, 2005). If such firms do not realize the immediate benefits of knowledge sharing and utilization for short-term as well as long-term goals, they will not be prone to incorporate them into their daily activities, nor will they make long-term investments in knowledge management systems. Given the informal nature of small organizations, knowledge sharing practices are not organized in a systematic way, like explicit plans or guidelines.

Also the scarcity of formal and informal spaces for interactions may hinder knowledge sharing (Gold et al., 2001).

Another disadvantage of SMEs vis-à-vis larger organizations is the lower level of specialization in their roles, which gives less expertise in implementing knowledge management and more difficulty in understanding knowledge management processes. This entails a greater need for small-medium enterprises to provide employees with appropriate training relative to knowledge management (Wong, 2005). But what we observe is that the investment on employee training is reduced or, in some cases, completely absent.

Small companies’ emphasis on operations together with a lack of people development (Smith et al., 2002) may hinder knowledge sharing endeavors.

SMEs have also some problems in attracting highly competent and experienced employees, who would be particularly useful for knowledge sharing, but who tend to prefer large organizations, where salaries and carrier opportunities are higher (Wong, 2005). SMEs are prone to the occurrence of knowledge loss through their key employees leaving. The majority of knowledge is embodied in individuals in a tacit form, so that an employee’s departure may
translate into knowledge loss (Wong and Radcliffe, 2000; Wong, 2005). Nonetheless, the close ties developed between employees may contain their departures. Furthermore, it has been demonstrated (Desouza and Awazu, 2006) that a solid common knowledge base is shared among many members, having similar sets of experiences and skills to draw on. Thus, the effect of knowledge loss is mitigated.

1.4.2 SMEs’ antecedents of knowledge sharing

After having provided a brief overview of the reasons for resistance and obstacles to share knowledge, we intend to deepen the discussion through the systematization of the antecedents of knowledge sharing. In this way, we will be able to better understand how each element facilitates or hampers knowledge sharing behaviors.

Based on a review of theory and research related to small-medium enterprises’ knowledge sharing, the major factors of influence have been identified: individual factors, organizational factors and technological factors.

1.4.2.1 Individual factors

In SMEs, knowledge management is people-centered, their sharing occurring via people mechanisms (Desouza and Awazu, 2006). The determinants of knowledge sharing at the individual level are the role of the owner, individual characteristics and motivation to share.

Role of the SME’s owner. The owner can drive knowledge sharing stimulus since he normally represents the main repository and storage of strategic knowledge and dynamic capabilities (Bracci and Vagnoni, 2011). He is the founder of the company and, in most cases, he coincides with the manager, being generally
involved in the majority of strategic and operative decisions. Thus, the owner subsumes the principal reference point for all the organizational members, whose orientations and attitudes he can shape and influence. Therefore, the owner should be the first person to value the usefulness and strategic worthiness of knowledge. The development of values and norms and learning in small firms pass on his approach to management, experiences and operational ability in business areas (Anderson and Boocock, 2002). It is his view which is determinant in explaining which and how organizational knowledge routines ought to be used (Thorpe et al., 2005).

Most SMEs’ owners have entrepreneurial orientations, determined by risk-taking, proactiveness and innovativeness (Miller, 1983). They prefer acting intuitively rather than using planned processes and a more systemic approach.

Two risks may underlie the entrepreneurial owners-manager’s attitudes: the lack of peers with whom to confront and his presumed omniscience (Floren, 1996). These two restrictions are related to each other, because the lack of confrontation with his peers prevents him from accepting a multidirectional flow of ideas. The solitary entrepreneur may run the risk not to be willing to accept different views about things. This may inhibit his endeavors toward fostering knowledge sharing across the organization.

*Employees’ personal characteristics.* Clearly, personal characteristics exert some influence in knowledge sharing behavior. It has been suggested that those employees with a marked openness to experience tend to show a high interest in seeking others’ ideas and insights (Cabrera et al., 2006). Research has also demonstrated that individuals who feel comfortable using computers are more likely to use collaborative electronic media for information sharing, as well as individuals with a higher level of education and longer work experience are more inclined to make their expertise available and to show positive attitudes toward knowledge sharing (Constant et al, 1994).
Motivation to share. Even the codified knowledge cannot be recognized and divulged by others until knowledge owners decide to supply it; so, knowledge sharing needs to be encouraged and facilitated (Osterloh and Frey, 2000). According to Vallerand et al. (1992), motivation may be intrinsic, identified, introjected or extrinsic, whilst other scholars prefer a threefold classification which does not take into account identified motivation (Deci and Ryan, 1985).

Intrinsic motivation means doing an activity because it is aligned with the individual’s personal values and intrinsic interests (Ryan and Deci, 2000). Intrinsic motivation factors concern the enjoyment in helping others and knowledge self-efficacy (Lin, 2007). Enjoyment in helping others refers to the individual’s eagerness to contribute with his own knowledge because he feels that solving issues and helping others make something better, more quickly or more efficiently is challenging and pleasurable. On the other hand, self-efficacy is defined as people’s own assessment of their capabilities for accomplishing tasks and attaining specific levels of performance (Bandura, 1986). It has been speculated that sense of self-efficacy influences employees’ behaviors in directions conforming to the prevailing group and organizational norms (Huber, 2001), so that the reference group’s norms become the internalized measure by which they judge themselves (Gecas, 1982). Ipe (2003) includes the perceived power attached to the knowledge and the reciprocity that results from sharing among intrinsic motivational factors. Individuals who believe that the knowledge they hold confers them power are likely to withhold knowledge, if they operate in an organization characterized by a competitive culture. Additionally, reciprocity is the mutual give-and-take of knowledge, which may initiate a virtuous cycle, as organizational members realize that the more the knowledge they send, the more the knowledge they receive (Ipe, 2003).

Identified motivation reflects the individual’s awareness about what should be done but he has not yet decided to do anything about it.
Introjected motivation occurs when an individual internalizes an external regulation but which feels not to be aligned with, so that he does not accept such regulation as his own (Decy and Ryan, 1985). Employees stimulated by this type of motivation believe there is an expectation about knowledge sharing within the organization, so that they behave in accordance with such expectations in order to gain acceptance and maintain feelings of worth (Bock et al., 2005).

Extrinsic motivation, instead, refers to people acting in order to attain a positive or to avoid a negative external outcome, so that the reason of the behavior is instrumental in obtaining a separate outcome (Foss et al., 2009). Ipe (2003) furnished further extrinsic motivators, that are the relationship with recipient and rewards for sharing. The two critical elements which determine relationships with the knowledge owner are the power and the status of the recipient. It has been empirically proved that individuals with low status and power tend to address information to those who are above in terms of status and power, while individuals with high status and power tend to communicate mainly with their peers (Allen and Cohen, 1969). Rewards refer to the balance between positive rewards and penalties deriving from sharing knowledge. Individuals are incentivized toward knowledge sharing if positive outcomes outweigh negative outcomes.

Intrinsic and identified can be connected to autonomous motivation, while extrinsic and introjected to controlled motivation (Gagné, 2009).

Previous empirical findings have revealed that not all types of motivation are equally desirable for knowledge sharing. Research shows that autonomous motivation yields more positive behavioral outcomes than controlled motivation (Gagné and Deci, 2005). In particular, according to the sending of knowledge, intrinsic motivation impacts very strongly and positively. Extrinsic motivation, instead, results as being even negatively associated with the degree of knowledge sent to colleagues, probably because those who are driven by external outcomes are more likely to share only the necessary amount of knowledge required to
obtain such outcomes. According to the receiving of knowledge, the extent of knowledge received is influenced by intrinsic motivation, which intervenes in a positive direction (Foss et al., 2009). A study conducted by Poortvliet et al. (2007) shows that intrinsic motivation triggers a reciprocity orientation facilitating sharing, while extrinsic motivation triggers an exploitation orientation which instead thwarts such sharing.

It is undisputed that small-medium enterprises are characterized by an informal work environment, where close contacts between members are developed, so that, in some cases, employees may even regard the organization as an extended family. Bearing this in mind, we may advocate that in small businesses it is more likely that employees are driven by intrinsic motivation. However, other factors come into play to determine employees’ personal attitudes, namely reward policies, leadership style and other organizational elements, all contributing to form a specific kind of organizational culture. It is not excluded that employees within some small businesses are more extrinsically motivated, or not motivated at all.

1.4.2.2 Organizational factors

Organizational factors responsible for influencing knowledge sharing in SMEs include reward policies for sharing, opportunities to share, job design, organizational reward policies, organizational culture, organizational structure, top management support and leadership style.

Rewards for sharing. Rewards for sharing are organizational incentive systems implemented for intervention upon individuals’ motivation. Based on social exchange and social capital theories, previous literature has shown a positive relationship between knowledge contribution and rewards such as promotion, bonus and higher salaries (Kankanhalli et al., 2005; Wang and Noe, 2010). So,
real and perceived rewards and penalties deriving from sharing or not sharing knowledge seem to be able to influence knowledge sharing processes (Ipe, 2003). However, other researchers have theorized that tangible rewards alone may be perceived as even humiliating for employees driven by intrinsic motivation (McDermott and O’ Dell, 2001). This suggests that tangible monetary rewards should be coupled with extrinsic motivation, while intrinsic motivation entails intangible incentives such as promotion and job security.

Having advocated that, in general, SMEs’ employees are intrinsically motivated to share knowledge, their reward policies should be mainly intangible. Some tangible incentives may be linked to group performance, in order to promote cooperation and create interdependences which necessitate knowledge exchange.

*Opportunities to share.* Opportunities to share knowledge within organizations may be both formal and informal.

The former include training programs, work teams, as well as technology-based systems enhancing knowledge sharing. These represent institutionalized channels designed to purposely acquire and spread knowledge. They have the potential to connect all the organizational members who can rapidly disseminate knowledge, which typically is explicit in nature (Nonaka and Takeuchi, 1995). Furthermore, formal channels allow top management to monitor the routes through which knowledge flows within the organization.

The latter encompass personal relationships that facilitate knowledge sharing through relational learning channels (Jones and Jordan, 1998). Such informal channels enhance face-to-face communication, which in turn allows creating communities of practice, important vehicles for knowledge sharing. Communities of practice consist of groups of people working together for the purpose of achieving a common goal through knowledge management processes. What distinguishes this type of aggregations is their mode of formation, which
occurs in a quite natural way. In fact, communities of practice have been defined as social entities with self-selected leaders and self-defined rules and regulations (du Plessis, 2008). Each member may bring a unique skills set to the community, he shares information, advice and process ideas, which progressively accumulate into knowledge. As experiences are shared, a common body of knowledge, techniques, approaches and practices is created (Hinton, 2003), and trust and reciprocity sentiments may be built, these further assisting in knowledge sharing. In this way, informal opportunities to share play a fundamental role in the transfer of tacit to explicit knowledge, a conversion which entails a socialization process.

Clearly, communities of practice are inherent in the configuration of small companies and informal opportunities to share are prevalent with respect to formal ones. This comes not unexpected if we consider the prevalence of tacit knowledge, which is naturally spread through informal mechanisms. However, it is unimaginable for SMEs to rely exclusively on informal means. Work teams, documentation and some other simple formal forms of communication exist.

**Job design.** Also job design is important for knowledge sharing for motivational reasons (Foss et al., 2009). According to Foss et al. (2009) research, three different job design characteristics foster different types of individual motivation, which in turn influence employees’ knowledge sharing behavior. Indeed, job autonomy, which denotes the employees’ possibility to decide when and how to perform specific tasks, increases intrinsic motivation by enhancing their sense of responsibility (Deci and Ryan, 2000) and augmenting their flexibility in defining their role (Parker and Wall, 1998). Instead, task identity, which means to identify themselves with a task defined by others and to follow procedures formulated by others, fosters introjected motivation, by enhancing the meaningfulness. Lastly,
feedback on the job shows a positive impact on external motivation to knowledge sharing, by offering formal evaluations and recognition (Foss et al., 2009).

All three elements seem to characterize job design at SMEs. Although the degree of autonomy depends on the level of centralization of the specific firm, it is typically high in small firms, given that employees have several key role at the same time (Peters, 1992) and situations are quite unstructured (Mischel, 1977). The presence of self-regulated communities of practice confirms this idea. Feedback on the tasks performed by employees is likely to be very frequent, due to the close contacts and interactions between the owner or managers and subordinates.

Organizational structure. Structure affects knowledge management processes through determining the patterns and the frequencies of communication, and the allocations of decision-making (Zheng et al., 2010).

When thinking about an organizational structure which fits knowledge sharing needs, we have to consider three dimensions, that are horizontal differentiation, vertical differentiation and coordination mechanisms. Functional structure is likely to inhibit knowledge sharing, since functional units may act as rigid silos and such compartmentalization is likely to build up barriers which isolate various departments and impede cross-communication (Mirghani et al., 2004). Such organizational structure is also likely to develop sub-unit orientations, this making it difficult to work together for knowledge creation and exploitation. The knowledge sharing obstruction further increases if functional structure is associated with a high degree of vertical differentiation. Vertically structured organizations around tasks and functions are detrimental to knowledge sharing. Lack of communication translates into low feedback and low two-sided learning. Rigid hierarchical organizations’ learning cannot benefit from employees’ knowledge contribution, due to an information value chain confined to a top-down relationship. This may be explained by the fact that employees fear
that exchanging knowledge with their superiors may undermine their job security. Therefore, they slow down change, make the decision making process longer and stifle innovation. It has been reviewed that too rigid and formalized structures put focus on knowledge exploitation rather than exploration, and minimize learning capacities (Chaston et al., 2001; Filion, 1996; Honig, 2001).

Fortunately, even though small firms are typically characterized by a functional structure, they do not have many hierarchical levels, due to their limited size. Deeks (1973) has found three possible types of SMEs’ hierarchical structures. In a monocratic structure most of the power is centralized in the owner’s hands and his presence is indispensable in daily operations, because he sets the way of working and backs up employees. Delegation is absent. In a oligarchic structure, strategic and operative decisions are made by some managers together with the owner, each directing specific areas of the company’s operations. Finally, in a patrician structure, the owner no longer takes part in the company’s strategic decisions, nor in its daily activities. Even in the SMEs’ less centralized structure, it is unlikely to find one manager for one specific function. They usually use strategies of multi-tasking by running several critical company roles alone (Winch and Bianchi, 2006). Despite this centralization, the presence of few layers of management shortens the decision-making process with respect to large enterprises. Their flat and less complex structures facilitate somewhat integration among departments, which limits the disadvantages of having a functional structure. The multi-tasking approach is reflected in every level of the organization. Referring to SMEs, scholars talk about the prominence of the so-called common knowledge. It refers to the case in which each organizational member has similar foundations and frames of reference to approach problems and organizational goals. A shared context for communication allows quicker and more effective knowledge sharing, by reducing misunderstandings (Desouza and Awazu, 2006).
Nonetheless, a disadvantage regards the overburden of the owner or managers, who have to look after lots of aspect of the business, so that they can dedicate little time to strategic issues related to knowledge management (Rasheed, 2005).

Researchers have demonstrated that knowledge sharing may be fostered thanks to more decentralized organizational structures (Jones, 2005), by creating a work environment suitable to interaction among employees, informal meetings, job rotation and communication across departments (Wang and Noe, 2010). Flat organizational structures designed around processes rather than around functions may reduce cross-functional boundaries and unlock gates for knowledge sharing. Overall, small organizations are on their way to put less emphasis on employees’ ranks and positions across hierarchies (Wang and Noe, 2010).

More organic organizations demand also an intense support of integrating mechanisms. For instance, cross-functional teams, which aggregate managers and workers with diverse competences and coming from different areas, may provide an interface and the tools for leveraging knowledge. Building similar integrating mechanisms do not only allow to collect know-how but also to identify who possess what knowledge. The empowered team members are likely to develop trusty relationships, these in turn being positive related to knowledge sharing.

Whereby formal work teams are needed, in SMEs, the most effective knowledge flow is possible through informal coordination mechanisms, owing to the prominence of socialization. This is the case of communities of practices, whose shared vision is driven by freedom of thinking and the interest in leveraging knowledge (Mirghani et al., 2004). Independently of the nature of such teams, as stated by Senge (1990), they constitute the fundamental learning units. Team learning begins with talks and it is through talks that team members are given the opportunity to suspend their judgment and enter into a free stream of different ideas to be explored together (Mirghani et al., 2004).
The concept of social capital includes both the number and the nature of ties linking organizational members. It has been speculated that the number and the strength of organization members’ intra-organizational ties are positively associated with knowledge transfer (Maurer et al., 2011).

**Top management support.** Top management support has an impact on employees’ commitment to knowledge management both in terms of quality and quantity of knowledge exchange (Lee et al., 2006). Such support may be implemented by allocating huge resources to knowledge sharing initiatives, in terms of time and financials. Top managers need to develop and sustain the organizational context conducive to knowledge sharing. Perceived supervisor support and their inducement to share knowledge determine employees’ evaluation of the usefulness of knowledge (Cabrera et al., 2006). Pan and Scarbrough (1998) have explained that the leadership role in knowledge management is twofold: overcoming resistance to change and pulling down communication barriers across the organization and between management levels.

**Leadership style.** “When I have more ideas than others, I give these ideas to them, if they accept; this means being a leader” (Calvino, 1957).

Being the ultimate individuals in charge of decision making, leaders’ adopted style outlines knowledge management practices brought forward, besides shaping employees’ attitudes.

Ogbonna and Harris (2000) proposed three leadership styles, i.e. participative, supportive and instrumental.

When a participative style is pursued, managers are not simply supervisors who issue orders or make assignments. They involve all organizational members in identifying solutions and strategies for the company, as well as proper ways for performing tasks, by listening to their advice and point of views. A participative leadership style favors the active engagement of each member and,
by doing so, the sense of belonging to the organization. We may posit that the environment it contributes to create will be positively associated with intrinsic motivation to share knowledge, namely self-efficacy and helping others. Furthermore, employees are able to express their creativity and explore new ways to operate. Taking all these aspects into account, participative style will be positively related to knowledge sharing, so that we are not surprised that this has been acknowledged as particularly relevant for organizations dealing with complex, knowledge-based issues.

Supportive leadership shows some similarities with participative style, since both of them are concerned with employees’ voices. A supportive leader works through the tasks with employees until they reach enough confidence and skills to handle them autonomously. Such a style allows organizational members to make their work more pleasant and to become more empowered. In particular, supportive manager behavior may create a trusting group environment, favorable to frequent feedback, information sharing and brainstorming (Edmondson, 1999). If we consider that feedback from others may positively influence perceived knowledge self-efficacy and that trust is positively associated with reciprocity, a supportive leadership style will be positively related to intrinsic motivation to knowledge sharing and, hence, to knowledge sharing.

Instrumental managers deal mainly with setting procedures and standards for subordinates and overseeing their work. They emphasize planning activities and tend not to delegate decision-making. Instrumental leadership style integrates in bureaucratic contexts, where freedom to act is frustrated. We may infer that this type of leadership is not positively associated with employees’ intrinsic motivation to share knowledge. Presumably, managers pursuing an instrumental approach will accept only formal communication channels. This makes this style very unlikely to be adopted within SMEs.

Ogbonna and Harris (2000) have argued that there is a link between the style of leadership and the organizational culture. It has been empirically found
that both supportive and participative leadership styles are positively associated with innovative and competitive forms of culture, while instrumental leadership is negatively associated to them. Supportive and participative leadership styles seem not to suit bureaucratic organizational environments, where roles are straightforward, tasks standardized and initiative-taking is thwarted.

Organizational culture. As mentioned previously in general terms with regard to knowledge management, organizational culture is the most critical aspect. If we accept the view of knowledge as a social product, culture becomes crucial for understanding how to leverage knowledge, since it creates the environment for interaction in which knowledge is generated and used. De Long and Fahey (2000) identified four ways in which culture influences the behaviors relative to knowledge creation, sharing and use. Culture shapes assumptions about knowledge worthiness, it governs the ownership of knowledge within the organization by determining who is expected to control it, who should share it and who can hoard it. Thirdly, culture determines the opportunities in which knowledge can be shared and used. Lastly, culture influences how new knowledge about the external environment is generated, legitimized and distributed across a firm’s departments.

Ogbonna and Harris (2000) categorized four types of corporate culture: innovative, competitive, bureaucratic and community cultures, which respectively correspond to adhocracy, market, hierarchy and clan cultures (Cameron and Freeman, 1991).

Organizations dominated by an innovative culture value flexibility, adaptability, dynamism, risk-taking and, hence, entrepreneurial initiatives aimed at innovating, handling and taking advantage of new challenges. The long-term emphasis is put on growth and acquiring new resources, and success is measured by the extent to which new products or new services have been developed and launched (Cameron and Freeman, 1991). Innovativeness and rapidness call for
the empowerment of employees and mutual adjustment, necessary for having the sufficient freedom to explore new techniques, knowledge and to learn from mistakes. As a consequence, innovative cultures promote cooperation between members, thus facilitating trustiness and reciprocity. Jobs are designed so as to provide individuals with autonomy in planning and conducting the tasks, this increasing their sense of responsibility (Foss et al., 2009) and, in turn, perceived self-efficacy, which is a measure of intrinsic motivation to knowledge sharing. Organizations permeated by this kind of culture represent an ideal context for the proliferation of ideas and organizational learning, which are positively related to effective knowledge sharing (Taylor and Wright, 2004). Individual factors are fundamental in creating or inhibiting an innovative culture. All starts from the people the small firm employs (Thorpe et al., 2005).

Competitive (or market) culture is typical of result-driven organizations which emphasize job completion. In organizations characterized by a competitive culture, the tension toward winning, reputation and success is what unifies people. Long-term focus regards the achievement of quantitative objectives and targets, and success is measured by the extent to which the firm has gained a desirable market share and penetration. An organizational climate which encourages individual competition may pose an obstacle to knowledge sharing because knowledge may be perceived to bring power (Wang and Noe, 2010). A competitive culture is not believed to foster intrinsic motivation, rather extrinsic motivation. Although, in general, SMEs’ environment is featured by cooperation, it is not automatic for them not to experience such kind of culture. Much depends on the values emphasized by the owner-manager, as well as on the other individual factors.

Organizations with a bureaucratic (or hierarchy) culture value standardization, control, as well as a high vertically differentiated structure. Employees are not allowed to divert from existing procedures and routines neither to engage in decision-making. Formalization and standardization make
employees’ actions predictable, so that stability and efficient operations may be pursued. Success is measured by the extent to which secure delivery, smooth scheduling and low cost are ensured. The limited freedom allowed to employees and their strict adhesion to their supervisors’ instructions are generally believed to impede creativity, innovation and knowledge management. However, Graham and Pizzo (1996) have asserted that a certain degree of structured and standardized procedures are required for acquiring, controlling and sharing knowledge, since they ensure clear communication channels and institutionalize knowledge hubs to which employees can make reference. Bureaucratic culture is very rare to prevail in small firms. Their natural configuration foresees a quite flattened structure.

Finally, a community (or clan) culture emphasizes flexibility and discretion, like innovative culture, but it differentiates from the latter because of its inward focus on integration. In this type of organization, employees develop trust, loyalty, cohesion and friendship and feel like an extended family. Teamwork and participation are fostered and the long-term emphasis concerns human resource development. In such an open and friendly environment, knowledge is left to flow, so that we may infer that community culture is positively associated with knowledge sharing.

It is noteworthy to precise that all these types of cultures are not mutually exclusive; rather they may be simultaneously present within an organization, each to varying degrees (Wallach, 1983). For instance, automobile manufacturing requires efficiency and timely job completion, emphasized by competitive culture. But, at the same time, it cannot disregard the search for new technologies in order to gain differentiation leadership or to explore more efficient ways for delivering processes, these needs being valued in innovative cultures.

De Long and Fahey (2000) have found four features apparent in organizations endowed with effective knowledge-oriented cultures. First, in those
organizations, knowledge from the external environment was not considered the end point but the starting point of innovation. Norms and practices encourage the exploitation of knowledge from outside rather than its simple absorption. Second, constructive confrontation on key strategic issues is promoted by tapping into both internal and external inputs. Organizational norms must accept intense questioning and try reconciling diverse views. Third, all the organizational members are expected to search for, debate and synthesize knowledge related to important business aspects. This means that dialogue at all organizational levels must not be an end to itself, but instrumental in enabling people to utilize their judgment for transforming information into knowledge which is the basis for action. Fourth, organizations with a knowledge sharing-oriented culture are able to controvert their existing beliefs which worked earlier, so that they are always ready to adapt to changes required by the competitive environment.

Yet, McDermott and O’Dell (2001) proposed some hints useful for aligning knowledge sharing with the firms’ culture. They highlight the importance of making visible the link between sharing knowledge and practical business targets, issues and results. Imitating practices developed by others organizations is not effective, rather the firms should match knowledge sharing with widely held core values. This means aligning knowledge sharing artifacts (e.g. language, tools) with those values, so that knowledge sharing-oriented culture can be legitimized and internalized.

People within SMEs are usually unified by common beliefs and values, which can be built and shaped by the owners. This indicates that it is easier to create a knowledge-oriented culture, but only to the extent by which the owners encourage trust, worthiness of knowledge sharing and creativity.
1.4.2.3 Technological factors

Technological factors also play a role in knowledge sharing process. These refer to information and communication technology (ICT) systems.

ICT systems enable rapid search, gathering and retrieval of information, apart from providing support for communication and collaboration (Huysman and Wulf, 2006) among employees through intranet, groupware, online databases, virtual communities. Technology allows people to overcome geographical boundaries (Pan and Leidner, 2003) when SMEs go international, and to manage knowledge in an organic and timely manner. Small-medium enterprises are increasingly adopting ICT tools, including e-commerce, but they are still limited by scarce financial investments (McWilliams and Zilberman, 1996; Beijerse, 2000). Their adoption is generally led by external pressure rather than perceived advantages by the managers (Gunasekaran et al., 2011).

“Technology alone will not lead to a Knowledge Management culture” (Moffett and McAdam, 2006: 225), but a well-designed technological infrastructure for this purpose may enhance information processing, knowledge detection, inter-functional collaboration and quicker decision process.

1.5 The importance of absorptive capacity for knowledge sharing efficacy

Earlier we have reported the concepts of external knowledge acquisition and intra-firm knowledge dissemination as being important for organizational responsiveness. Such activities, according to Heeley (1997), form the two major components of absorptive capacity.

Absorptive capacity was firstly introduced by Cohen and Levinthal (1990), who have defined it as the ability to identify new valuable knowledge, assimilate it and implement it for commercial ends (Cohen and Levinthal, 1990).
Zahra and George (2002) proposed a reconceptualization of the absorptive capacity as a dynamic capability consisting of two subsets: potential and realized capacity.

Potential absorptive capacity comprises knowledge acquisition and assimilation capabilities. Knowledge acquisition connotes the identification and acquisition of critical external knowledge (Zahra and George, 2002), while knowledge assimilation refers to the development of the firm’s routines and processes which allow it to analyze, interpret and understand the information from external sources (Zahra and George, 2002).

Realized absorptive capacity includes knowledge transformation and exploitation capabilities. The former refers to the firm’s ability to develop and refine the routines which enhance combining existing knowledge and the newly acquired and assimilated one (Zahra and George, 2002). The latter pertains to the firm’s ability to incorporate such knowledge into operations and products (Zahra and George, 2002).

We cannot explain the effects of knowledge sharing on organizations’ knowledge base and innovation performance regardless of absorptive capacity (Moos et al., 2011). According to Moos et al. (2011), potential absorptive capacity mediates effects on organizational knowledge, while realized absorptive capacity mediates effects on innovation. This is not far from Liao et al.’s position (2007), which revolves around the mediating role of absorptive capacity between knowledge sharing and innovation capability. The intervening absorptive capacity variable enables to reprocess the knowledge shared between employees (Liao et al., 2007).

We can understand such relationship by looking at the features characterizing absorptive capacity, namely prior-related knowledge (Cohen and Levinthal, 1990) and combinative capabilities (Jansen et al., 2005). Existing knowledge base is a pre-condition for having the skills to acquire and assimilate new knowledge. So, the organizational members must be provided to some degree
with the same knowledge structure (i.e. common languages, symbols and skills) for an efficient absorption of external knowledge (Fosfuri and Tribò, 2008) through effective internal communication (Cohen and Levinthal, 1990). Furthermore, through the process knowledge transfer and experiential learning, not only employees are more motivated to search for new knowledge (Liao et al., 2007) but also the knowledge stock is increased. Thus, knowledge donating and knowledge collecting positively affect the company’s potential absorptive capacity (Andrawina and Govindaraju, 2009).

Potential absorptive capacity does not ensure innovation performance. This depends on the organization’s ability to translate potential into realized absorptive capacity (Zahra and George, 2002).

Knowledge sharing contributes also to the development of the realized dimension of absorptive capacity. Knowledge transformation and exploitation, which imply combinative capabilities (Jansen et al., 2005), require the sharing of relevant knowledge among employees in order to gain mutual understanding and comprehension (Zahra and George, 2002; Liao et al., 2007). Thus, knowledge donating and knowledge collecting positively affect the company’s realized absorptive capacity (Liao et al., 2007).

Having shed a light on absorptive capacity, which plays a bridge role between what is outside and what is inside the organization and then allows to gain innovation performance through the integration of the knowledge shared, in the following chapter, we will drill down the relationship between innovation and knowledge sharing.
2. The effects of knowledge sharing on innovation and internationalization

2.1 The relationship between knowledge sharing and innovation

Given their resource constraint and their limited shelter from large competitors, SMEs’ business environment is characterized by greater uncertainty and more demands for innovation.

Speed of innovation has incredibly accelerated its pace because of rapidly evolving technology and shorter product lifecycles (du Plessis, 2007). As a consequence, innovation has become more complex and difficult to attain (Cavusgil et al., 2003). Changes driven by technological advances, competition and customer needs call for organizations to be always ready to generate, integrate and reformulate knowledge in new alternative ways (Teece et al., 1997), that is to possess innovation capabilities.

According to knowledge-based economy (Quinn, 1992; Drucker, 1993; Nonaka and Takeuchi, 1995; Leonard-Barton, 1995) and consistently with Shumpeter’s vision (1942), as competition destroys the strategic value of one state of knowledge within the organization, it poses opportunities for creating another one. Such challenges require companies to possess abilities for continuous improvements and continuous innovation, while contemporaneously fighting imitation attempts.

For these reasons, knowledge is increasingly being recognized as a source of innovation for small and medium-sized enterprises (Sparrow, 2001). It has been widely agreed upon the more innovativeness of small firms with respect to large firms (Tether, 1998), achieving greater innovation outputs comparatively to R&D spending (Cohen and Keppler, 1996).
In fact, successful innovations are not correlated with the availability of tangible resources (Khan and Manopichetwattana, 1989), which we know are short in small companies. SMEs’ innovation performance is attained mainly by using knowledge resources and competences (Desouza and Awazu, 2006). This is consistent with Dierickx and Cool’s (1989) assertion that strategic factors and therefore sources of competitive advantage can only be created internally through their acquired knowledge if firms cannot afford buying tangible resources from outside.

Other researchers (e.g., Nooteboom, 1994) have suggested, instead, that large and small companies are good at different types of innovations. Large firms are better in generating new and science-based high technologies (Gold et al., 1980), since they require large and highly specialized teams endowed with sophisticated equipment and a significant historical background of innovation outcomes. This may be consistent with large firms’ ability to search and process technical and commercial information from a vaster pool of external sources, difficult to access for non-specialists (Nooteboom, 1994). Whilst, small businesses seem to be better in small scale applications of fundamental technologies, new combinations of technologies and markets or new combinations of products and services, and in improvements of existing products (Nooteboom, 1994). Their superiority in such innovation outcomes may be explained by their reliance upon tacit knowledge in unique skills, informal communications along shorter lines, the greater motivation which generally characterizes smaller and more informal environments, the greater closeness to the market and less bureaucracy (Nooteboom, 1994).

In this regard, a study conducted by U.S. Small Business Administration has found that “a patent filed by a small business was more than twice likely to be among the top one percent of most frequently cited patents [...] Small firm research is substantially more [...] cutting edge and twice as closely linked to scientific research” (SBA, 1999).
Innovation strongly depends on knowledge availability. The richer and broader the knowledge base, the more complex and successful the deriving innovation (Adams and Lamont, 2003). Indeed, innovation has been defined as sharing and combining knowledge (Simmie, 2003) in order to produce new one (Drucker, 1993) and apply it to commercial solutions.

As we mentioned in the first chapter, knowledge sharing increases employees’ skills and competences, which in turn improves the quality of innovation. The latter is typically measured by the rate of firm’s adoption of innovations (Liao and Wu, 2010).

Innovation outcomes may come up in several forms. In this regard, Wang and Ahmed (2004) have identified the following five kinds of innovation. Product innovativeness refers to the newness and the significance of new products launched on the market at a timely fashion. Market innovativeness regards the newness of market-oriented approaches adopted. Process innovativeness includes the invention of new production methods, new management approaches and new technology improving production and management processes. Behavioral innovativeness reflects the individuals and companies’ behaviors aimed at implementing changes which lead to innovation. Lastly, strategic innovativeness pertains to the development of new competitive strategies generating value for the firm.

It follows that innovation represents the output of many organizational dynamics aimed at finding new solutions, which are more likely to prosper during knowledge sharing processes, whereby ideas are shared and issues are discussed.

According to Torrance (1979), the process leading to innovation outcomes starts from creativity, which he has defined as a set of four elements. Fluency relates to the generation of several ideas or alternative solutions to a problem, so that it implies the understanding of knowledge processed. Flexibility involves the capacity of viewing things from a diverse perspective. Elaboration implies the process of analyzing ideas in depth and drawing on more details. Lastly,
originality pertains to the generation of radical ideas, very unique and unusual. But for creativity to translate into innovation outcomes, again knowledge sharing has to come into action.

Liao and Wu’s findings have confirmed those of Davenport and Prusak (1998), according to whom there is a significant positive relationship between knowledge sharing and organizational innovation. However, they have moved a step forward by demonstrating that the relationship between the two variables is indirect, mediated by organizational learning. That is, knowledge sharing positively influences organizational learning, which in turn positively affects organizational innovation. Organizational learning may be thought of as the process of interpretation and development of concepts, frameworks and capabilities (Chell, 2001) in the light of the tension between existing knowledge and new knowledge acquired and distributed within the firm (Anderson and Boocock, 2002).

Consistently, scholars have pointed out that innovative firms show one main common feature, that is their nature of “highly effective learning systems” (Tusman and Nadler, 1986: 75). The authors advocate that organizational learning cannot exist without emphasizing both intra- and inter-organizational relationships.

Many authors have highlighted the vital role of knowledge sharing in creating a working environment that underpins creativity and fuels innovativeness (Amabile et al., 1996; Soderquist et al., 1997). Amabile et al. (1996) have proved that the social environment affects the level and the frequency of creativity, interpreted as the generation of new and useful ideas regardless of the field of reference. In particular, there have been identified three factors which would set up a creative work environment, namely people’s motivation, management practices and resources devoted to innovative initiatives (Amabile, 1988).
Yet, it is worth stressing the centrality of people in the learning process which leads to innovation. The strength of knowledge relies in its subjectivity and in people’s underlying perceptions about its worthiness and utilization. If we accept the definition of innovation provided earlier, we can view the creation of innovative ideas and processes as the union of diverse elements of knowledge. Raising the chance meetings of such elements through intensive knowledge sharing should increase the frequency of new combinations (Rodan, 2002). As a consequence, there would not be any innovation output if knowledge was hoarded among organizational members, each one being the repository of some pieces of it. Quinn et al. (1996) have proposed that knowledge rises exponentially when shared. They have explained that if two people share their knowledge with others and obtain feedbacks, amplifications, insights and modifications, then opportunities for innovation become exponential.

These fruitful exchanges of signals and insights that organizational members provide one another, which Woodman et al. (1993) have called social information, increase their influence over innovation outcomes as much as employees’ tasks allow for flexibility and autonomy (i.e. tasks are unstructured).

In particular, it is tacit knowledge sharing that researchers have found to be critical for firms’ innovation capability (Cavusgil et al., 2003), another point which underpins the SMEs’ superiority in innovation capability. It is intuitive that, when firms “learn by doing” the skills necessary to carry out operations and develop products or services, competitors are prevented from seizing their know-how and replicate their products or services.

Two knowledge-related factors make competitors’ imitation difficult, namely causal ambiguity and social complexity (Lippman and Rumelt, 1982; Cardinal et al., 2001). The former means that the sources of competitive advantage, that is the way in which knowledge has been generated, transferred
and then utilized, are unknown. The latter pertains to the uniqueness of a firm’s knowledge history and storage, which renders difficult for external players its understanding and, hence, its management.

In organizations, innovation processes may be looked at through the lens of the knowledge conversion framework, wherein the combination stage innovation outputs (i.e. products, processes and organizational modes) are produced.

The increase of organizational knowledge through conversion raises a consideration regarding the fragility of knowledge creation, meaning that it may happen that individual knowledge does not manage to benefit others and, vice versa, organizational knowledge may not be able to benefit the individual member. This is due to the fact that time and cost constraints do not allow individuals to share all their own knowledge. According to Grant (1996), excessive redundancies in knowledge might nullify the benefits coming from the division and specialization of labor. But such redundancies constitute a precondition for innovation (Nonaka and Takeuchi, 1995), so that organizational knowledge fragility is an obstacle for innovation.

Other knowledge-related barriers to innovation pertain to SMEs’ limited internal know-how to properly manage the innovation process and limited market knowledge for entering foreign markets and matching foreign customer needs (Ylinenpää, 1998).

2.1.1 Factors influencing innovation

According to researchers’ studies, we can assert that three antecedents of knowledge sharing capabilities, which may be thought of at both individual and organizational level, positively affect innovation capabilities. Such antecedents are a willingness to share knowledge, capability to learn and capability to transfer knowledge. People who are willing to share knowledge are likely to be high in openness to experience and awareness (Cabrera et al. 2006), since they have
more positive attitudes to learning experiences, which increases opportunities for innovating. Additionally, innovators are capable of learning and transferring knowledge to organizational assets and resources (Cohen and Levinthal, 1990).

Woodman et al. (1993), who treat creativity as a synonym of innovation, have followed a similar pattern of analysis which recognizes the existence of group characteristics and organizational characteristics which determine the likelihood of the firm’s climate to bring about innovation performance.

The bond between knowledge sharing and innovation is even clearer as we consider that knowledge sharing enablers also lead to more effective innovation performance. Liu and Phillips (2010) have stated that some knowledge sharing antecedents facilitate innovativeness.

Lin (2007) has tested that the influence of individual factors (i.e. enjoyment in helping others and knowledge self-efficacy), organizational factors (top management support and organizational rewards) and technology factors (information and communication technology use) on knowledge sharing also lead to superior firm innovation capability. He has stated that a company with mastering at collecting and integrating knowledge is more likely to be rare and difficult to be imitated by rivals, thus being able to sustain high levels of innovation capabilities.

Here we list the most important factors influencing both knowledge sharing and innovation performance.

**Personal characteristics and motivation to innovate.** As we have viewed in the previous chapter, those employees particularly opened to newness tend to show a high interest in seeking others’ ideas and insights (Cabrera et al., 2006). This, again, suggests the link between knowledge sharing and innovation.

People are likely to be more innovative when they are intrinsically motivated by enjoyment, satisfaction and curiosity (Amabile et al., 1996). As for
knowledge sharing, extrinsic motivation may instead hamper innovative behaviors (Amabile, 1993), since organizational members may suffer external control and expectation and prefer not to experiment in order to reduce potential failures.

**Role of the SME’s owner.** Remembering the pivotal role of the owner-manager in his company, we may advocate that he is responsible for organizational learning capacity (Storey, 1994). His personality and experience should be conducive to autonomy, risk-taking, intuitiveness, high-energy activities, change and innovation. These features describe the entrepreneurial orientation quite common to the owner-manager’s mindset. Thus, according to the above discussion, entrepreneurial orientation encompasses decision-making processes, practices, philosophy and activities which lead organizations to innovation (Lumpkin and Dess, 2005).

**Top management support and leadership style.** The role of management is decisive in determining innovative or non-innovative behaviors of subordinates. Managers should evaluate new ideas supportively and fairly (Cummings, 1965) instead of not considering or frustrating them. Clearly, also knowledge sharing would be stifled if employees did not find a supportive and participative leadership style. Other ways for fostering innovation include open interactions between superiors and subordinates (Kimberly and Evanisko, 1981).

Managers should embed innovative initiatives, such as brainstorming and experiments, within employees’ every day jobs. Otherwise, workload pressure and time constraint would not leave room for them.

Essentially, managers should pursue experimentation and improvisation, representing two organizational processes which build in organizational flexibility and create an organizational culture of change and innovation (De Tienne and Mallette, 2012). In fact, they trigger trial and error learning.
Experimenting managers try to foresee the future market trends, while improvising managers try to balance between structure, budgets and schedules with the need for mutual adjustment and change (De Tienne and Mallette, 2012).

**Organizational structure.** It has been tested that functional differentiation, frequently adopted in SMEs, is positively linked to innovation (Jones, 2007; Baldridge and Burnham, 1975). Functional differentiation creates specialized subtasks and, hence, specialized knowledge, so that specialists of each subunit come up with more efficient techniques to achieve their goals (March and Simon, 1958) or to solve problems, thanks to the possibility to learn from each other.

However, functional differentiation may cause conflicts over resources and goals between the various subunits, so that it should be associated with integrating mechanisms. The size of small-medium enterprise contains the drawbacks of the functional organizational structures, consisting of a relative small number of functions and of hierarchical levels. Such consideration suggests that SMEs which are functionally structured are not prevented from being flexible.

A flexible structure, characterized by decentralization, employees’ empowerment and non rigid hierarchy, makes knowledge flow and proliferate within each corner of the organization, so that innovation can be pursued. Autonomy is particularly important as studies have revealed that employees are more innovative when they perceive themselves as having choice in how to carry out their activities (Stoker et al., 2001).

Innovation is not a research and development department’s prerogative, rather it encompasses all the levels and all the firm, from the research and development to after sales and customer service, marketing, finance, manufacturing and so on (Rodan, 2002). Given the dominant role of tacit knowledge for successful innovation performances, cross-functional teams are a
useful integration mechanism for making such kind of knowledge sharing effective.

Although tacit knowledge sharing renders innovation safer from competitors’ imitation attempts, it makes the innovation process itself more difficult, because of the lack of a formalized way to access it. That is why SMEs cannot renounce to a certain degree of codification into explicit knowledge, in order to ensure ready identification, retrieval and accessibility for its application in future innovations (du Plessis, 2007). This entails the need for a certain degree of formalization, which makes organizational members follow rules and procedures and act in a predictable way. Then, online collaboration forums and electronic platforms like intranet and extranet can ensure the codification of knowledge.

Specifically, along the innovation process, SMEs rely on tacit knowledge largely in the research and development phase, while mostly on codified knowledge in the downstream stages of the value chain (Cardinal et al., 2001).

Some authors have proposed that a certain degree of internal control mechanisms (i.e. formalization) may ensure that employees accomplish planned goals, enable managers to effectively measure innovation and to provide timely feedback and facilitate the allocation of resources and knowledge among different departments (Simons, 1991).

Consequently, collaboration, be it internal or external, formal or informal, be it vertical or horizontal, is an important facilitator, by establishing references of expertise and by allowing the easy flow of the knowledge required for the innovation process across and beyond organizational boundaries. Collaboration also serves as to expand the knowledge base and create an integrated view of staff members about what and where knowledge can be retrieved, so that the organization ensures the maximum benefit from its utilization as resource in the innovation process. Having a broader frame of reference of the context in which they operate creates the conditions for innovating more efficiently. In fact,
employees involved in such interactions have the opportunity to generate routines which can invent new solutions or new combinations of existing knowledge. Face to face contacts allow for recipes to be generated also without converting tacit knowledge into explicit. The validity of cross-functional teams is underpinned by the assumption that the more diverse knowledge people contribute to, the more likely learning elasticity and therefore knowledge sharing fruitfulness and therefore the more complex the innovation coming about (Rodan, 2002).

Pyka (2002) has identified ten significant types of collaborative relationships for innovative environment and the most effective has proved to be the informal networks. In SMEs, innovators are incentivized to search for necessary information and knowledge via informal networks, since they are aware that valuable knowledge is often available only in tacit forms.

**Organizational culture.** Knowledge sharing makes knowledge available and exploitable as an innovation input, but it also enhances a culture conducive to innovation, creativity and learning (du Plessis, 2007).

The willingness to learn, create and share knowledge needs to be embedded in the organization’s culture (Subramanian and Youndt, 2005) in order to pursue innovation outcomes. We have outlined the traits of an organizational innovative culture, wherein flexibility, adaptability, dynamism, risk-taking and, hence, entrepreneurial initiatives aimed at innovating, handling and taking advantage of new challenges are promoted. Taylor and Wright (2004) have verified the positive relationship between innovative culture and effective knowledge sharing and organizational learning.

We have also investigated that such organizational culture can only be created if employees are left free to collaborate, explore and experiment.
Instead, a bureaucratic culture would be detrimental to innovative initiatives, given that freedom to execute tasks in alternative methods or search for sources of newness are frustrated or even punished.

The influence of competitive culture on innovation is more unclear. On the one hand, it encourages individualism, thus impeding the proliferation of knowledge conducive to innovation. On the other hand, by valuing success, results accomplishment and winning may foster individual efforts to produce innovation, in order to respond to competitive pressures.

It is important to underline that empirical findings have found that intra-organizational knowledge flows do not represent the exclusive variable conducive to innovation performance improvements. Another important variable is the organizational ability of knowledge sharing with the external environment (Woodman et al., 1993). Here absorptive capacity comes into action.

2.2 The role of knowledge sharing in SMEs’ internationalization

Pressures for innovations, harsher competition, globalization and lower product life cycles have urged firms to emphasize speed and flexibility, integration and innovation (Ashkenas et al., 1995). Internationalization is no longer a large firms’ prerogative, but it has become a survival condition also for small companies. They are no longer protected in their local markets, so far as multinational companies settle there. In our perspective, internationalization can be conceived as a process of organizational learning and knowledge management (Eriksson et al., 2000).

SMEs cannot afford relying solely on their internally generated knowledge for achieving competitive advantage and, given their scarcity of tangible assets, they are forced to primarily focus on it.
2.2.1 The different types of knowledge in the internationalization process

Johanson and Vahlne (1990) have distinguished between two kinds of knowledge required in internationalization activities, which are: objective knowledge and experiential knowledge. Objective knowledge refers to objective and explicit information, while experiential knowledge can be acquired only through direct practice and personal experience on the field (Penrose, 1966). The authors have also differentiated market general knowledge from market-specific knowledge. The former refers to common features enjoyed by their operative sectors, irrespective of geographical locations. If there are commonalities in customer preferences, marketing methods, production processes and the like, such knowledge may be easily transferred and exploited across diverse countries (Johanson and Vahlne, 1990).

According to Eriksson et al. (2000), international knowledge include internationalization knowledge, business knowledge and institutional knowledge. Internationalization knowledge concerns the firm’s competences and intellectual resources to engage in international markets; business knowledge regards the firm’s knowledge about foreign competitions and foreign customers; institutional knowledge is quite objective, since it refers to information relative to governance structures, rules, norms and values in specific foreign markets.

Mejri and Umemoto (2010) accept another classification, which divides experiential knowledge into network knowledge, cultural knowledge and entrepreneurial knowledge. The diverse components of the experiential knowledge mix exert different weights on internationalization process, according to the stage considered.

Network knowledge refers to both business and social networks which enhance firms’ internationalization. It has been argued that network established in pre-internationalization stage is determinant for the start of internationalization (Mejri and Umemoto, 2010). Network knowledge may either facilitate a firm which have decided to go international, pulled by customers operating in foreign
markets, or encourage firms to go international because its partners operate abroad. Evidences have shown that firms increase their network knowledge as they increase their presence in foreign markets (Mejri and Umemoto, 2010), the idea being to build an organizational memory of what went right and what went wrong in previous experiences. However, firms use and rely more intensively on network knowledge acquired in the previous stages, when they had limited foreign experience (Spence and Crick, 2004). Research has identified different types of learning occurring in partnership, each one requiring a different knowledge management practice. Content learning, the most common type, involves the acquisition of partners’ skills and know-how, while partner learning concerns the social capital built with the partner, whose organizational culture and work routines can be explored and understood.

Cultural knowledge includes the knowledge of language, habits, norms, regulations and the like. Firms begin acquiring such knowledge when they go international, but in the first stage they still make a low-intensive use of it, given their attitude to entering markets similar to their domestic one. As they expand in more diverse countries, cultural knowledge becomes more important. In fact, at this point, they learn to deal with foreign actors by adopting methods and perspectives which are suitable to their peculiarities (Mejri and Umemoto, 2010).

Finally, entrepreneurial knowledge means that firms are aware of opportunities and know how to exploit them. In fact, recognizing an opportunity won’t yield profitable outcomes if the SME does not know how to leverage it. Tapping into an opportunity requires absorptive capacity, which implies absorbing and transforming knowledge acquired and shared (Liao et al., 2007).

Entrepreneurial knowledge is acquired from the pre-internationalization phase (Mejri and Umemoto, 2010), but its intensity is maximum in the mature internationalization phase.
2.3 Complexities which internationalizing SMEs face in managing knowledge

For SMEs, going international equates to increasing uncertainty, as they have to face unfamiliar and larger external environments. Internationalization of small-medium enterprises differs from that engaged by multinationals with respect to resource capability, market offerings, mode of operating, and scope of markets where they are present. MNEs locate their various activities (e.g. R&D, marketing, production, logistics, sales) in multiple sites, exploiting location economies and experience curves. Furthermore, they can count on a much stronger reputation with respect to SMEs. The eclectic OLI\textsuperscript{3} paradigm formulated by Dunning (1988) seems to specifically fit MNEs. In fact, according to this, advantages drawn from expanding abroad relate to extending proprietary assets, integrating activities with different factor and resource costs across the world, and realizing economies of scale and scope (Dunning, 1988).

In the international context, we need to examine knowledge sharing at the inter-organizational level, rather than only at the intra-organizational level (Hult et al., 2006).

Managing knowledge during the internationalization process triggers some difficulties. Advances in communication-technology are not sufficient to help SMEs. Unlike transferring and receiving information, the generation, acquisition and sharing of knowledge, especially tacit knowledge, calls for frequent and intense communication and interactions, which may include hard-to codify, explorative and non-standard processes. These activities are problematic when geographical distances enlarge and diversity among actors involved augments. Geographical distance impacts communication in terms of frequency, quality and speed (von Zedtwitz and Gassmann, 2002), by compromising its efficacy and increasing probabilities of misunderstandings (Fisch, 2003).

\textsuperscript{3} OLI stands for Ownership, Location and Internalization (Dunning, 1989)
SMEs encounter complexities in transferring knowledge in value chain activities performed in an international context, such as cultural distance of the foreign countries, ambiguities of understanding between organizations (Inkpen and Pien, 2006), tacit and procedural knowledge\textsuperscript{4} which cannot be codified (Inkpen, 2008) and knowledge asset specificity (Grant, 1996). Szulanski (2003) has identified further factors responsible for knowledge stickiness, including SMEs’ lack of absorptive capacity to understand knowledge sources too far from their experience. In fact, unless the knowledge held by the firm and its counterpart is redundant to some extent, they will be not able to work together and share knowledge (Sivakumar and Roy, 2004). Sometimes, SMEs’ inward looking may cause the so-called not-invented-here syndrome, according to which they are reluctant to accept ideas and knowledge coming from outside.

The situation is worsened in so as far as the turbulence of international environment increases (Johanson and Vahlne, 1990). It seems that in turbulent markets, SMEs increase their endeavors toward disseminating and assimilating knowledge, while reducing those toward acquiring new knowledge from the external environment (Liao et al., 2003). Apart from their limited degree of specialization in knowledge acquisition and processing, this is due to the fact that SMEs’ owners or top managers, responsible for all these activities, become overloaded with more complexities and prefer to be more internally focused in order to reduce organizational uncertainty (Liao et al., 2003). However, SMEs pursuing very proactive strategies are likely to be more externally oriented even in highly uncertain environments (Liao et al., 2003).

Especially during the internationalization process, SMEs are subject to three main “competence traps”, as defined by Ahuja and Lampert (2001): familiarity, maturity and propinquity. Familiarity traps regard concentrating too much on the exploitation of the existing knowledge, preventing the firm from investigating new sources of knowledge and new ways of thinking. When a firm falls into a

\textsuperscript{4} Procedural knowledge is the knowledge about procedures to follow to support specific task (Simonin, 1999)
familiarity trap, innovation efforts are limited, as well as flexibility and the ability to respond quickly to changes. Familiarity trap is associated with the *psychic distance paradox* (O’Grady and Lane, 1996), which implies that when firms settle in psychically close markets they tend to operate assuming that their domestic business model is entirely suitable also for those markets, so that they are prevented from learning about and managing critical differences.

Maturity trap refers to the firm’s bias of being too risk-adverse, thus refusing any action which would not lead to reliable and predictable outcomes. This trap also reduces innovation performance and knowledge exploration. Finally, consistently with the propinquity trap, when a firm decides to explore, it tend to do it in the areas nearest to its existing expertise.

Furthermore, some family firms tend to be very attached to the choices of the past (Timur, 1988), given their high degree of dependence on the owners’ paternalistic view. Such firms show high conservatism, reflected on the centralized decision-making, high levels of direct supervision and high commitment to the status quo (Hambrick et al., 1993). Regardless of environmental changes and performance requirements, this kind of owner-managers could show inflexibility and rigidity by promoting practices and strategies which have been resulted successful in the past and by perceiving a weak need for adjustment (Basly, 2007). So, conservatism within SMEs constitute an obstacle to organizational learning and knowledge development. Their organizational learning is more focused on internal issues regarding efficiency of operations or quality of products, rather than on seeking new opportunities for innovation purposes. Such rigid attitudes negatively influence internationalization (Basly, 2007).

Another SMEs’ shortcoming, in general associated with conservatism, concerns independence orientation (Basly, 2007). Independence orientation translates into avoiding outside partners in order to be financially independent, appointing for managerial positions individuals belonging to the close relational
circle and, finally, avoiding inter-organizational relations in order to maintain the decision-making in the hands of the family (Basly, 2007). Independence orientation inhibits the amassing of internationalization knowledge because such kind of SMEs will have limited and little varied horizons and because the potential knowledge contribution of external actors is excluded (Basly, 2007).

These considerations suggest how the organizational culture oriented toward knowledge sharing and innovativeness is crucial also for knowledge development during internationalization.

2.4 The role of knowledge in SMEs’ internationalization: a review of the main theories

There are various theories toward small-medium enterprises’ internationalization, all having a firm’s knowledge resources as the lowest common denominator which is able to predict internationalization (Yli-Renko et al., 2002). Although the importance of knowledge for internationalizing SMEs is acknowledged by all the approaches, each one attributes a different role to it.

2.4.1 The Uppsala Model

Johanson and Vahlne (1977) have developed the Uppsala Internationalization Model, alternatively named Stages Model, which proposes a step-by-step internationalization process through an establishment chain (Johanson and Wiedersheim-Paul, 1975), wherein the development of individual firms is considered, notwithstanding inter-organizational links. The chain begins with the firm controlling solely the domestic market, without exporting. At the second stage, it expands abroad through independent representatives; at the third stage it switches to direct exports, then it opts for sales subsidiaries until it starts producing at foreign subsidiaries (Johanson and
Wiedershein-Paul, 1975). The more the international activities along the supply chain are externalized, the less control firms can exert. Increasing control implies switching from intermediaries (e.g. agents and distributors) to direct exporting up to subsidiaries.

A local presence (e.g. subsidiary) allows to acquire a direct feel for preferences and practices in the market (Reid, 1984) and to gain a more differentiated knowledge of the customers and the local business (Eriksson et al., 1997).

Johanson and Vahlne (1977) have noted that the firm dedicates higher commitment of resources as it progresses through this establishment chain. So, it can be asserted that the Uppsala Model assigns to knowledge the role of regulating the firm’s commitments to resources in foreign markets (Eriksson et al., 1997). In other words, a firm increases its commitment incrementally as it accumulates experiential knowledge and this process is manifested in the establishment chain.

The model posits that as the psychic distance between markets augments, the more difficult it is to collect, transmit and interpret country-specific knowledge. Thus, psychic distance impacts on the market selection as well as the foreign entry mode. When experience of foreign markets is low, firms prefer to settle in foreign markets similar to their domestic one. As they gradually increase experiential knowledge, they will tend to access more distant markets (Hornell et al., 1972).

Nonetheless, it is not only knowledge related to foreign markets (i.e. external knowledge) that matters when internationalizing. It also significantly depends on existing organizational routines, procedures and structures, which determine the firm’s knowledge assets and, hence, its learning capabilities.

SMEs may be more prone to expand gradually because of their initial limited experiential knowledge\(^5\) about foreign markets. Johanson and Vahlne

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\(^5\) Experiential knowledge is particularly difficult to acquire because it requires the firms’ direct experience of operating in foreign markets and it cannot be achieved by simple standardized methods (Penrose, 1959).
(1977) believe that the less structured a firm’s activities, the more important the experiential knowledge for international success. According to Cohen and Levinthal’s (1990) proposition that a firm’s ability to learn from outside stems from the current overlaps between its internal knowledge base and the external source, Almeida et al. (2003) have hypothesized that small firms are likely to be slower in reaping the benefits of internationalization. In fact, it is plausible that SMEs’ restricted horizon of action (Eriksson at al., 2000) and, hence, their weak variation connote knowledge limited to few customers, competitors and institutional actors. As Johanson (1990) has postulated, large firms with broad experiential knowledge do not bear great consequences relative to resource commitments, so that they manage to have a faster internationalization pace.

Another explanation suggested for accepting incremental and sequential internationalization strategies concerns SMEs’ uncertainty about the decision to internationalize (Andersen, 1993).

Through an adaptation of the Uppsala Model, Eriksson et al. (2000) have derived that the accumulation of the experiential model is influenced by variation during the internationalization process of firms. The authors define variation as “the diversity of foreign environments to which the internationalizing firm is exposed” (Eriksson et al., 2000: 2). This infers that companies exposed to a variety of institutions, business players, clients and competitors have more opportunities to learn (Mezias and Glynn, 1993). They will be more capable of identifying problems as well as opportunities and of changing or improving their routines, products and practices comparatively to firms exposed to lower variations (Eriksson et al., 2000). Consequently, by developing the ability of altering their interpretation of the world, they tend to be more innovative on technical and marketing issues and, additionally, to amend their extant theory in use (Mezias and Glynn, 1993). This occurs when psychic distance between markets has broadened.
The *Innovation-related* Model (Gankema et al., 2000) follows a pattern similar to that of the Uppsala Model, but concentrating exclusively on the export development process of small-medium enterprises. This approach considers each subsequent stage of internationalization as an innovation for the firm (Gankema et al., 2000). According to Andersen (1993), the Innovation-related Model and Uppsala Model only differ in terminology used and in the number of the incremental stages.

### 2.4.2 The Network Approach

The more recent Network Approach scatters the Uppsala Model which it considers no longer applicable to SMEs’ internationalization, given improved communication systems (Lituchy and Rail, 2000). This theory discusses that knowledge can be shared via cross-national network-connections, resulting in a driving force in small companies’ internationalization process (Chen, 2003).

The Network Approach theorists propose another role of knowledge, as “*an enabling resource leading to the firm’s globally mobile offerings in the marketplace*” (Prashantham, 2005: 40).

Building network relationships enables SMEs to internationalize faster, without following the incremental stages prescribed by the Uppsala Model. In fact, participating in knowledge sharing networks has been found to upgrade firms’ learning curve (Dyer and Nobenoka, 2000). Referring to networks we mean short-term partnerships, strategic alliances, informal inter-organizational collaborations, commercial agreements, joint ventures and so on. Chetty and Campbell-Hunt (2003) have put the argument in other words, arguing that disadvantages of resource-constrained internationalizing SMEs can be overtaken through their ability to develop social capital, referring to the links with the
players of the international market environment and the assets mobilized through such relationships.

Yli-Renko et al. (2002) have divided social capital into internal and external one. The former concerns the quality of relationships among the firm’s departments while the latter refers to customers, suppliers and other actors’ involvement. They maintain that social capital contributes to the firm’s internationalization path, leading to interactions which allow to learn and create new knowledge. Such knowledge permits to develop and seize opportunities which others would not be able to see (Johanson and Vahlne, 2006). In fact, especially SMEs need to collect knowledge about counterparts, competitors, cooperation with other firms, product development, marketing, operating procedures, strategies and the like (Lindstrand et al., 2012). Nordman and Tolstoy (2008) have investigated the positive impact of experiential knowledge on internationalizing SMEs’ coordination abilities in engaging in customer relationships. Such knowledge has made them more flexible and ready to re-module activities and allotment of resources when faced with unexpected situations (Slater and Narver, 1995).

All the partnership phases need to be properly managed and monitored. At the partner screening phase, the SME should be aware of its internal objectives, capability resources and gaps, in order to select the right organizations in terms of complementarity and synergies. Such objectives should be communicated within the organization. Similarly, it is essential to acquire information about potential partners’ objectives, processes, resources and skills. This is the phase where market knowledge is predominantly important.

When the partnership has been established, coordination becomes extremely important. We have stressed its role within organizations and we can extend the argument to inter-organizational interactions (Nordman and Tolstoy, 2008). It is paramount that organizational members of the firms involved share knowledge,
since they are interdependent. This is why social aspects among the partners, such as trust and a cooperative environment, become very important.

This is when experiential knowledge increases its intensity of accumulation. An academic study (Kale et al., 2000) has shown that those firms which managed to learn from their partnership experience, and to share and disseminate the knowledge throughout their organizations, attained a greater success. In particular, when firms share knowledge assets incorporated within routines as if it were part of their collaborative network, that is tacit knowledge, they generate a superior outcome (Maznevski and Athanassiou, 2006). As such, managers need to travel to the markets where they operate in order to visit partner firms and other stakeholders (Kafouros and Buckley, 2008).

A peculiarity of small family firms is that even those with strong independence orientations, which prompt difficulties in pursuing common objectives with other partners, highly value social network orientation (Basly, 2007). SMEs prefer social relationships rather than economic ones, which may hamper their decision-making independence. Although the Network Approach deals with organizational networking, it aims at explaining its role for knowledge development during internationalization, rather than at discussing economic benefits.

Personal relationships that SMEs establish with other firms seem to determine the choice of the internationalization strategy with regard to the target country and the entry mode (Basly, 2007). For instance, sometimes a small company may prefer one country over another because there it holds a personal networks which ensures a better understanding of the foreign market and therefore less risk. Additionally, a paradox emerges. Entry modes favorable to SMEs’ independence orientations are those which entail more control, such as direct investment.
But at the same time, their lack of resources and of experiential knowledge makes it less risky to internationalize by export or long-term contracts with local firms.

Entry modes which imply networking with indigenous firms may be more beneficial, since their experience and knowledge can help the internationalizing SME learn from abroad. Hence, when choosing a high control entry mode, it would be better to establish through acquisitions or joint ventures rather than through green field investments.

Zahra et al. (2002) have studied the relationships between international mode of entry and learning in SMEs belonging to the high-technology sector, resolving that higher control modes of entry, such as foreign acquisitions, facilitate broader and quicker technological learning.

However, their analysis cannot be generalized to all other sectors. Indeed, empirical evidences have exhibited that most frequently entry modes adopted by SMEs in the traditional manufacturing and service sectors relate to direct exporting without an overseas base, while joint ventures and partnerships are rarely cited by SMEs’ owners (Westhead et al., 2001). Such SMEs’ preference concerning the entry mode may be due to their scarce resources and experiential knowledge as well as to their desire to have high control over their businesses and resources.

Within the Network Approach we can frame the Born Global firms (Andersson and Wictor, 2003), called International New Ventures by Andersen (1993). They are small-medium enterprises which become global shortly after their inception, as demonstrated by significant resource commitment in multiple countries (Oviatt and McDougall, 1994). In general, they correspond to SMEs who export products within two years of their settlement and yield at least a quarter of their total revenues (McKinsey et al., 1993). In this kind of firms, the role of top management and of the owners are determinant (Andersson, 2000),
having typically entrepreneurial orientation and a global vision, which we know as being positively associated with innovation performance. Indeed, the growth of Born Globals is determined by high innovative skills, fostered by close collaborations in international networks. Born Globals see their personal networks as the main network, since there are not well-structured processes, routines and systems. They are exposed to change when new ideas come up, so that Born Globals will use their personal networks to build the new required networks (Hakansson, 1982). However, it is typical of their behavior to leverage tacit knowledge thanks to their social capital and personal networks.

While SMEs following the traditional linear internationalization process are driven by their organizational learning, that is their ability to understand and use the shared and acquired knowledge, Born Globals are primarily driven by the global strategy implemented by the entrepreneurs, which represent the crucial source of the firm’s knowledge (Andersson and Wictor, 2003).

Mathews (2006) has introduced the concept of *Dragon Multinationals*, which defines latecomer and newcomer firms which have been rapidly internationalized thanks to strategic and organizational innovations. Such firms, be they newcomer or latecomer, enter the global market not to exploit their existing domestic assets, and in particular, their knowledge, but in order to acquire new resources. Thus, before going global, they were companies which bore all the limitations of small-medium firms. Nonetheless, they have been able to turn their weaknesses into strength, according to the so-called *LLL framework*, which stands for linkage, leverage and learning. They together form the key strategic drivers for accessing international markets.

Linkage pertains to small firms’ convenience of engaging in links with foreign firms, in order to access complementary skills and assets, as they initially suffer from low market intelligence and uncertainty concerning the quality of potentially available knowledge (Mathews, 2006). Leverage refers to the way in
which small firms’ are able to understand, acquire and then utilize the external knowledge at disposal (Mathews, 2006). Small firms will be able to take advantage of direct contacts between individuals in order to collect tacit knowledge. Lastly, learning regards their ability to learn more rapidly thanks to their linkage and leverage reiterated processes (Mathews, 2006).

2.4.3 The Resource-based Approach to internationalization

This internationalization theory shows some similarity with the Network Approach. In fact, it prescribes that if a firm desires to access strategic knowledge-based resources, it should cooperate both vertically and horizontally. As we have seen in the first chapter, resource-based models state that intangible knowledge-based resources constitute a source of competitive advantage. It is not the firm’s ownership of such intangible assets which ensures competitive advantage, but, above all, it is the firm’s organizational learning to develop new knowledge-based resources (Ruzzier et al., 2006). This has led to shed a light on firms’ internationalization strategies, viewed as a way for improving such organizational learning (Montgomery and Wernerfelt, 1988). According to Ahokangas (1998), SMEs’ international competitive advantage should be drawn from the development of key internal and external resources, which can be pursued relating to four international activities: internal firm-oriented, external firm-oriented, internal network-oriented and external network-oriented. In the internal-firm oriented mode, the SME tries to internationalize and learn from experience by developing internally critical knowledge resources, without depending on externally available ones (Ahokangas, 1998). In the external firm-oriented mode, firms develop internal knowledge by using external resources drawn from relationships with various expert organization and research institutions (Ahokangas, 1998). In the internal network-oriented mode, the critical knowledge resources during internationalization are developed by
cooperating within an organizations network, usually consisting of alliances (Ahokangas, 1998), thus sharing resource stocks. In the external network-oriented mode, networking includes also the shared control over the firms’ resources (Ahokangas, 1998).

2.5 The connection between internationalization, innovation and knowledge sharing

It has been widely demonstrated that internationalization positively impacts innovation performance and that knowledge sharing significantly intervenes in this relationship.

Internationally diversified firms are able to improve their innovative capabilities by making use of a broader range of globally available resources (Kotabe, 1990), by exploiting the specific advantages of different countries (Hitt et al., 1997), and by interacting with suppliers, customers and other stakeholders globally dispersed (Santos et al., 2004). Indeed innovation, being a knowledge-intensive process (Nonaka and Takeuchi, 1995), may be advanced by drawing from as many sources as possible, that is by relying on a wide knowledge variation (Eriksson et al., 2000). Internationalization influences positively innovation capacities also by increasing opportunities to learn.

This is in line with the theoretical stance which asserts that innovation performance depends on the size of the pool of knowledge to which the firm has access (Griliches, 1979; Jaffe, 1986; Scherer, 1982).

In order to promote such learning, knowledge sharing at individual, group and inter-organizational level is needed.

Especially SMEs can benefit from going international. Discounting a narrower and less specialized knowledge base and expertise, expanding their contacts and their presence would be a way for filling it up.
One necessary characteristic for using knowledge in innovative valuable creation is the availability and sharing of such knowledge among agents involved (Charterina and Landeta, 2013). SMEs should endeavor to have smooth and simple communication, to ask for or provide purposeful knowledge to the right interlocutors and to have access to technical information in customer-supplier relationships. From these efforts of the involved parties, greater innovativeness may be anticipated (Charterina and Landeta, 2013).

A survey by Kenny and Reedy (2006) has highlighted sources of innovation which SMEs regarded as the most important. Among the others, customers, networking and suppliers are very highly valued. It follows how globally dispersed networks may play a role in increasing the number of sources of innovation.
3. Empirical Case Study: Monnalisa Spa

3.1 Introduction

Despite the richness of academic theories and reviews which have tried to explain the relevance of knowledge sharing and to explore both its antecedents and its effects on firms’ performance, we have identified two aspects which literature has neglected. That is, the role of knowledge sharing in small-medium enterprises’ innovation performance and the role of knowledge sharing in small-medium enterprises’ internationalization process.

With respect to the first aspect, researchers have mostly concentrated on the effect of knowledge sharing on large corporations’ innovation performance, disregarding the importance to specifically analyze such relationship through the lens of the small-medium enterprises. Although some recent studies have begun to recognize that SMEs’ innovation proportions are even higher comparatively to those of large companies, the dynamics through which SMEs’ knowledge sharing allows to improve their innovation performance have not been investigated yet. Given this, we aim at shedding a light on this topic.

With respect to the second aspect, although scholars have recently analyzed the evolution of SMEs’ internationalization processes, we have noted that there have been few contributions aimed at linking such aspect to knowledge sharing. Accordingly, our objective is to examine how knowledge sharing within and outside small firms’ organizational boundaries can influence their internationalization process and their subsequent success. Such literature gaps might be due to the misconceptions that theories regarding large companies may be generalized also for smaller companies and that SMEs’ resource constraint prevent them from having important innovation capabilities and from making intensive use of knowledge for internationalization purposes.
Challenges and continuous changes in the market environment have triggered small-medium enterprises to focus on innovation to gain competitive advantages and to open themselves to global markets. As a consequence, the study of these phenomena from small companies’ perspective can no longer be ignored.

The lack of academic contributions supporting our argument have made it useful to conduct an empirical analysis in an attempt to better investigate it. The object of our study is an Italian medium enterprise belonging to the children’s garment industry, named Monnalisa Spa. By trying to cover those highlighted literature gaps, the case study intends to provide a comprehensive framework of knowledge sharing antecedents and effects in the specific context of small-medium firms.

3.2 Research methodology

Data used in this study include both primary and secondary sources. Primary sources are represented by a questionnaire and interviews; the Company’s annual reports represent the most important secondary source we analyzed, together with web articles and the book “Un Tesoro Emergente: Le medie imprese italiane dell’era globale” (Varaldo et al., 2009).

Questionnaire. A web-based questionnaire was mailed to Monnalisa Spa employees. Out of the total questionnaires sent out, 21 were returned completed. The recommended time for the compilation was thirty minutes. The results analyzed are always related to the overall sample and represent the averages of the single responses. The questionnaires used a seven-point Likert-type scale, a psychometric measurement of attitudes, beliefs, and opinions ranging from 1, which stands for
“I totally disagree”, up to 7, which stands for “I totally agree”\(^6\). We employed such scale for several reasons. Firstly, because, being the most widely adopted survey method, it can be easily understood. Secondly, because it gives quantifiable answers easy to statistically operationalize and analyze. Finally, because it allows respondents to answer the questions very easily and to express degrees of agreement rather than a cut answer.

The results extrapolated from the questionnaires were arranged in a dataset on which descriptive statistics and correlation analysis were performed by using the statistical software Stata 11.

The questionnaire consists of the following sections, each one containing several items: integrating mechanisms, organizational factors, individual factors, technological factors, organizational innovation, knowledge sharing, leadership, organizational culture, job characteristics, learning ability, job satisfaction and intrinsic motivation. A further section concerns respondents’ personal information.

Interviews. Individual interviews, lasting about 30 minutes each, were conducted with the CEO, the managers of marketing department, commercial department, and of ICT function. Furthermore, another manager who preferred to remain anonymous was interviewed. Such interviews, whose transcripts are presented in the Appendix, were carried out at Monnalisa headquarters in Arezzo. Questions followed a similar pattern for all the managers interviewed and were issued for four main reasons. First, the questionnaire provided quantitative results, thus limiting opportunities for a qualitative analysis which gives more useful insights. In particular, our purpose was to examine in depth the way Monnalisa’s organizational structure facilitates knowledge sharing and the role attributed to knowledge in innovation processes. Second, we needed to explore the relationship between knowledge sharing and the internationalization process.

\(^6\) For some statements, 1=totally false and 7=totally true.
which was not dealt with in the questionnaire. Third, the questionnaire analyzed knowledge sharing from an intra-organizational point of view. It was necessary to study also knowledge sharing beyond organizational boundaries, this being fundamental in both internationalization and innovation processes. Fourth, we wanted to know the executives’ perspectives about the analyzed topics and whether they differ from those of employees. Hence, these on-site interviews have offered a unique opportunity to understand the Company’s dynamics which would have not been provided by any other research tool.

3.3 Company profile

Monnalisa is a world leader company in the childrenswear sector. It was founded in 1968 by Piero Iacomoni and Barbara Bertocci, a couple both at work and at home, and respectively Chairman and Creative Director of the Company. Headquartered at Arezzo, it occupies the high section of the market and has a target which goes from 0 to 16 years.

Currently, 74% of sales are recorded in Western Europe and 26% in overseas market. The Monnalisa brands are distributed in over fifty countries, via flagship stores (Milan, Florence, Arezzo, Roma, Catania, New York, Sydney, and Baku), corners and shops within the most exclusive department stores and boutiques in the world. Distribution deals have been reached in emerging countries and in countries of great strategic interest such as China, Syria, Taiwan, Egypt, India, Lybia and, more recently, Brazil.

Although Italy maintains the highest concentration of customer distribution, in 2011 the Company’s turnover for exports was higher than that of the domestic market.

Monnalisa, dedicated to the production and sales of the items from Monnalisa brands, is part of the Monnalisa Group comprised of five important
associated companies, all located in Arezzo: Babalai, which is involved in styling, prototyping, and collection planning; Penta Service, which is engaged in prototypes development until the electronic cut, quality control of raw materials, and storage; Monnalisa & Co. that deals with retail management and showroom management; Jafin that is the holding company and the center for administrative services for the associated companies; and PJ, which is the real estate company of the group.

Although all the transformation phases are outsourced to external independent laboratories, mainly located in China and in Central Italy, the circular production cycle is commanded and monitored by internal operation units, which follow its route, ensure the necessary supplies, and guarantee the successful conclusion.

Because of the outsourcing of the whole transformation process, Monnalisa’s organizational members are predominantly high school graduates or university graduates who fulfill management roles or perform intellectual activities as employees. Currently, Monnalisa Group employs a total of 140 workers.

During the 1980s, following the gradual expansion of its production and commercial activities, the increased dimensions required a shift from an individual enterprise to a company. In January, 2011, having experienced a further growth, the company shifted from a governance system based on a sole director to one based on a collective management body, composed of the founder Piero Iacomoni, his wife Barbara Bertocci, their children, and their accountant Pierangelo Arcangioli. The general mandate has been attributed to Christian Simoni, which has become the Monnalisa’s Chief Executive Officer.

Such change in governance reflects the owners’ acknowledgement of the need for introducing external expert members who can bring their expertise and new competences, in order to ensure the business continuity and growth in an increasingly complex and harsh competitive environment. Thus, the owner
showed the humility to recognize the need for improving planning ability and competences, for redesigning some job roles, and for increasing integration among corporate functions. Moreover, it was established a Management committee, responsible for effectively implementing the board of directors directives and for monitoring the business trend from a management point of view, on a weekly basis. This committee is composed by the Chairman of the board and the style, production, human resources, finance, control management, and the Head of IT department.

The following organizational chart (see Figure 1) highlights the presence of a functional structure with a rather flattened vertical differentiation\(^7\).

Figure 1-Monnalisa Group Organizational Chart

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\(^7\) The organizational chart was derived from that appearing in Monnalisa Annual Report, 2005 and adjusted according to the recent changes in the organizational structure which have been learned through the interviews. This organizational chart does not include the activities pertaining to the real estate company of the Group (i.e. PJ).
The choice of Monnalisa as the object of our empirical analysis is justified by various reasons. It has all the peculiarities of a small-medium enterprise highlighted in the previous chapters (i.e. family-owned enterprise, rather flattened organizational structure, small number of employees) and, moreover, it represents the successful example of a SME which has passed through the various stages of the internationalization process and which puts a great emphasis on innovation. Furthermore, from an early examination of Monnalisa’s public documents, the strong value attributed to human capital and to internal as well as external communication has emerged. Thus, it seemed to perfectly fit our research needs to explore the knowledge sharing value for the international and innovation vocations of this company. Accordingly, such traits are present in Monnalisa’s vision and values statement. As we can read in the Company’s Annual Report (2011), Monnalisa’s International success is based on a unique mix of entrepreneurship, quality, product and process innovation, settlement in new markets, special consideration of the development of resources and of the Company’s know-how.

3.4 Descriptive statistics analysis

3.4.1 Interpretation of the descriptive statistics analysis

Hereafter we will report separately some descriptive statistics for each variable of interest, recalling that the questionnaires used a 7-point Likert scale to evaluate the employee factors’ appreciation. Thus, it is noteworthy to precise that the score for each variable indicates the employees’ perceptions. We will refer to the most important technological, organizational, and individual factors predicted to influence knowledge sharing behaviors, following
the same taxonomy provided in the first chapter. In addition, we will consider knowledge sharing dimensions and individual and organizational innovation.

Formal integrating mechanisms

Formal integrating mechanisms have been appreciated by the company’s hierarchical levels and by the extent to which it makes use of integrating roles (e.g. project manager), temporary or permanent team-works, meetings with managers and colleagues.

Formal integrating mechanisms have been perceived to be quite high, the mean marking 4.55, as shown in Table 4. It can be speculated that Monnalisa recognizes the importance of coordination within the organization.

Among the mechanisms it adopts, we can distinguish between integrating mechanisms addressed to employees and integrating mechanisms directed to management. With regard to those addressed to employees, there are round tables and focus groups, which are charged, for instance, with climate analyses, staff satisfaction and participation to the formulation of strategies. With regard to those addressed to management, there are the Ethics committee and the Management committee. The former is a permanent team formed of managers from various departments which meets at least twice a year in order to discuss about topics pertaining to job relationships, organizational processes, and internal and external projects relative to corporate social responsibility. The latter, a permanent team composed by top managers from the various functions, the CEO, and the Chairman, meets on a weekly basis in order to implement the board of directors directives and to monitor the business trend from a management point of view.

Furthermore, since 2006 a group to which is allocated a budget and which is responsible for managing every aspect concerning organizational communication has been created. Such coordination mechanisms serve as to facilitate the flow of knowledge within the organizations, which may be hindered by the different
orientations of the different units. In fact, they increase opportunities for communication and organizational members’ involvement and they contribute to create a common language across the various departments.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating mechanisms</td>
<td>21</td>
<td>4.55</td>
<td>1.36</td>
<td>1.67</td>
<td>6.22</td>
</tr>
</tbody>
</table>

Table 4-Integrating mechanisms

**Job characteristics**

Job characteristics have been measured by autonomy and formalization.

Autonomy has been measured by the extent to which employees are left free and independent in performing their tasks. When autonomy is high, employees can take many initiatives and make decisions, so that their responsibilities increase.

At Monnalisa, the employees’ perceptions average out 5.71 (see Table 5), which accounts for a high degree of autonomy, even though the range is rather wide (1-7).

In 2008, the Company launched a performance management project aimed at making employees responsible for the objectives related to their specific role. This initiative is line with the valorization of autonomy.

Formalization has been measured by the extent to which procedures to follow are indicated in documents and manuals, comprehensive task descriptions exist and there are adequate communication channels in order to manage conflicts. At Monnalisa, employees consider it as medium-high, on average (5.22), as we can see in Table 5.

Perhaps, ensuring that employees strictly follow the rules, so that their actions may be standardized, and hence, predictable may derive from the need of Monnalisa’s logistics function for monitoring the supply of raw materials, the manufacturing and the delivery of end products, all these activities being outsourced. This is the natural consequence of the recent change in governance.
which must have created a more structured and complex organization, requiring more formal procedures in order to ensure the matching of all the goals and activities.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Autonomy</td>
<td>21</td>
<td>5.71</td>
<td>1.35</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Formaliation</td>
<td>21</td>
<td>5.22</td>
<td>1.23</td>
<td>2</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 5-Job characteristics

**Top management support to knowledge sharing**

Top management support has been rated by the extent to which top management encourages and sustains employees towards knowledge sharing, by the extent to which it allocates a high share of resources to knowledge sharing initiatives and shows enthusiasm when employees are satisfied with knowledge sharing.

This knowledge sharing enabler has been valued rather highly by the company’s employees, with a mean of 5.13, even though the extreme scores correspond to 1 and 7 on the Likert scale.

At Monnalisa, there are two main tools enabling such support, namely the Ethics committee and the Human Resource department. The Ethics committee has been established for the purpose of sharing various perspectives about organizational processes, social responsibility and other topics. Thus, it accounts for an open channel which helps top management and personnel communicate and cooperate. All the proposals, requests and issues emerging from the 2011 Ethics committee have been accepted, confirming its efficacy.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management support</td>
<td>21</td>
<td>5.13</td>
<td>1.74</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 6-Top management support
**Motivation at work at Monnalisa**

According to Vallerand et al. (1992), there are four types of motivation impelling people to act, namely intrinsic motivation, extrinsic motivation, introjected motivation and identified motivation. Intrinsic motivation has been assessed by the extent to which employees like and enjoy their job and to which they are allowed to reach their life goals through their job. Intrinsic motivation is rated high when employees’ jobs meet their aspirations and are in accord with their personal values.

At Monnalisa, intrinsic motivation is valued very high on average (5.41) with respect to all other types of motivation. This may infer that Monnalisa’s people are proactive and personally involved in activities.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intrinsic motivation</td>
<td>21</td>
<td>5.41</td>
<td>1.30</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Identified motivation</td>
<td>21</td>
<td>4.87</td>
<td>1.35</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Introjected motivation</td>
<td>21</td>
<td>3.10</td>
<td>1.79</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Extrinsic motivation</td>
<td>21</td>
<td>3.14</td>
<td>1.10</td>
<td>1.67</td>
<td>5.67</td>
</tr>
</tbody>
</table>

Table 7-Motivation at work

**Intrinsic motivational factors**

The most important dimensions of intrinsic motivation are represented by helping others and knowledge self-efficacy, analyzed below.

**a) Helping others**

This motivational factor has been measured by the extent to which employees find it pleasant to share knowledge with colleagues and are satisfied in helping others thanks to such knowledge sharing.

At Monnalisa, helping other is valued extremely high (6.45) on average, with a very low standard deviation.
This means that helping others is a strong intrinsic motivation felt by the majority of the organizational members.

\[
\text{\textit{b) Knowledge self-efficacy}}
\]

Knowledge self-efficacy has been appraised by the extent to which employees believe to possess the knowledge which would be helpful to their colleagues and by the extent to which they possess the competences and the expertise for providing the company with valuable knowledge.

At Monnalisa, it weighs 5.14, on average, which is a medium-high perception.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help others</td>
<td>21</td>
<td>6.45</td>
<td>0.56</td>
<td>5</td>
<td>7</td>
</tr>
<tr>
<td>Self-efficacy</td>
<td>21</td>
<td>5.15</td>
<td>0.57</td>
<td>4.25</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 8- Intrinsic motivational factors

Monnalisa commits itself to ensure high quality standards in work relationships by creating the conditions required to increase personnel satisfaction and motivation levels, as well as a sense of belonging to the Company.

\[
\text{Extrinsic motivational factors}
\]

Extrinsic motivation has been analyzed by reward system’s perception, reported below.

\[
\text{Rewards for knowledge sharing}
\]

This extrinsic motivational factor has been estimated by the extent to which knowledge sharing is rewarded through a higher remuneration or bonus, work promotion or increased job position stability.
At Monnalisa, it is scored extremely low, this meaning that knowledge sharing is not incentivized through external rewards.

This is meaningful if we consider that what mostly drives Monnalisa’s people to share knowledge are not external outcomes but intrinsic regulation.

Table 9 - Rewards for knowledge sharing

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reward system</td>
<td>21</td>
<td>2.61</td>
<td>1.35</td>
<td>1</td>
<td>6.25</td>
</tr>
</tbody>
</table>

Table 9- Rewards for knowledge sharing

Knowledge sharing-oriented culture

Knowledge sharing-oriented culture is about rendering knowledge sharing the norm. It has been measured by the extent to which management expects contribution to knowledge sharing from each employee, personnel is encouraged to innovate, explore and ask for colleagues’ aid. When a firm embraces a culture of this type, cross-departmental interaction is eased, vision and goals are clearly addressed to employees and management systematically emphasizes the role of knowledge for the company’s competitive advantage.

At Monnalisa, this culture is perceived to be medium, on average (4.27), as visualized in the table below.

Considering that the other elements of the organizational architecture are rated higher, this may be explained by the moderating effects of the hierarchical structure, responsible also for the medium perception of the knowledge sharing-oriented organizational structure.

Another possible interpretation resides in the slower internalization of knowledge sharing values in employees’ cognitive patterns with respect to the formal determinants which foster such transfer.

A third explanation, which is worth also for the average rating attributed to knowledge sharing-oriented organizational structure, may concern the difficulty of employees to identify such knowledge sharing efforts in general terms, that is when they are not specifically related to a management practice.
Table 10- Knowledge sharing-oriented culture

**Organizational culture taxonomy**

We have utilized the culture taxonomy provided by Ogbonna and Harris (2000). Hereafter, we analyze one by one the various types of organizational culture they propose.

**a) Innovative culture**

Innovative culture has been estimated by the extent to which the Company emphasizes the growth and acquiring of new resources, the readiness to meet new challenges, the dynamic and entrepreneurial behavior of employees, and the commitment to innovation and development. An organization with a dispersed innovative culture puts emphasis on being first.

At Monnalisa, such culture type averages out at 5.34, so that this is perceived to be mostly diffused. It is also a value higher than that given to knowledge-sharing oriented culture. This may suggest that the Company has been able to make people socialize more with innovative rather than knowledge-sharing values and behaviors.

Such a high degree of organizational innovative culture is aligned with the vision, whose values refer to innovation, research and creativity.

**b) Competitive culture**

Competitive culture has been assessed by the extent to which the Company emphasizes the need to set measurable objectives and tasks and goal accomplishment, production orientation is shared and competitive behaviors are rewarded. In a competitive organizational environment the main concern is with getting the job timely done.
At Monnalisa, this culture is worth 4.64 on average, coming immediately after the value attributed to innovative culture. Interestingly, the standard deviation from the mean is comparatively lower to those of other cultures. This medium-high appreciation is rather unexpected given the high scores assigned to intrinsic motivation, participative and supportive leadership styles and top management support to knowledge sharing, all these variables not being conducive to competitive behaviors.

c) **Bureaucratic culture**

Bureaucratic culture has been defined by the extent to which the Company is formalized and structured and makes use of formal rules and policies to govern what people do. In such a culture, permanence and stability are highly valued, as well as efficiency.

At Monnalisa, this is perceived to be medium on average (4.58), being placed at the third ranking. The standard deviation is the lowest among the four kinds of cultures. Such evaluation is line with the perceived medium-high degree of a bureaucratic structure.

The high correlation between bureaucratic and competitive culture should not surprise us if we think that the strong production orientation and the primary concern of getting the job timely done, which characterize the competitive corporate culture, can be efficiently managed by standardization, achieved through the clearly established and rigid procedures characterizing corporate bureaucratic cultures.

d) **Community culture**

Community culture has been estimated by the extent to which employees value traditions and consider the company like an extended family, to whom they show commitment and loyalty. In organizations with a high community culture
human resources are central and high cohesion and morale become very important.

At Monnalisa, on average it is valued at 4.51, ranked fourth. This is a bit surprisingly, given the high correlation to innovative culture, which instead is placed first. This may infer that, even though an innovative environment prevails, the medium levels of bureaucracy and competitiveness perceived curb a very strong sense of belonging to an “extended family”.

The scores associated with each culture type confirm that they are not mutually exclusive; rather, they may be simultaneously present within the organization, each to varying degrees (Wallach, 1989).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative culture</td>
<td>21</td>
<td>5.35</td>
<td>1.51</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Bureaucratic culture</td>
<td>21</td>
<td>4.58</td>
<td>1.26</td>
<td>2</td>
<td>6.25</td>
</tr>
<tr>
<td>Competitive culture</td>
<td>21</td>
<td>4.64</td>
<td>1.23</td>
<td>2.25</td>
<td>6.25</td>
</tr>
<tr>
<td>Community culture</td>
<td>21</td>
<td>4.51</td>
<td>1.56</td>
<td>1</td>
<td>6.25</td>
</tr>
</tbody>
</table>

Table 11- Organizational culture taxonomy

As shown below, all the four kinds of culture exhibit a rather high degree of correlation. In particular, innovative culture is strongly correlated to community culture, while competitive culture is strongly correlated to the bureaucratic one.

<table>
<thead>
<tr>
<th></th>
<th>Innov_cult</th>
<th>Bureau_cult</th>
<th>Comp_cult</th>
<th>Comm_cult</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative culture</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bureaucratic culture</td>
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<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Competitive culture</td>
<td>0.63</td>
<td>0.75</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Community culture</td>
<td>0.75</td>
<td>0.51</td>
<td>0.68</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Table 12- Correlation between the different types of organizational culture
Leadership styles

We have analyzed the leadership styles as defined by Ogbonna and Harris (2000). Hereafter, they are reported separately.

a) Participative leadership style

It has been measured by the extent to which managers consider their subordinates’ opinions and ask them for advice before making decisions or when issues emerge. A participative leadership style implies that employees are listened to and consulted also with respect to which assignments should be made.

At Monnalisa, the highest score is given to this style of leadership, which accounts for 4.66 on average. However, it presents the highest standard deviation.

As we will point out later, the participative leadership style shows a quite high positive relationship with innovative culture. In fact, mutual adjustment, freedom to explore and opportunities for innovating require the involvement of employees in decision making by management.

b) Supportive leadership style

It has been assessed by the extent to which managers help make performing tasks more pleasant, are equitable in employees’ treatment and take care about their personal welfare.

At Monnalisa, this is rated 4.25 on average. This supportive style can be even tracked in the improvement plan which every year launches projects which result from employees’ proposals and complaint.

It shows the second-highest correlation to innovative culture. It is plausible to think that an innovative culture is supported by a context in which managers look out for easing the job environment.
c) Instrumental leadership style

It has been estimated by the extent to which managers give instructions about the way tasks should be performed and provide work schedules, decide what and how thing should be carried out and keep definite standards of performance.

At Monnalisa, this has scored 4.20 on average, which is the least among the leadership styles. This result may be interpreted by the fact that the management values more participation and is interested more in giving support to employees rather than simply overseeing them. Not surprisingly, it exhibits the highest correlation to bureaucratic culture, which also resulted to be the least appreciated among the organizational cultures at Monnalisa.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participative leadership</td>
<td>21</td>
<td>4.66</td>
<td>1.81</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Supportive leadership</td>
<td>21</td>
<td>4.25</td>
<td>1.59</td>
<td>1.25</td>
<td>6.5</td>
</tr>
<tr>
<td>Instrumental leadership</td>
<td>21</td>
<td>4.20</td>
<td>1.43</td>
<td>1.5</td>
<td>6.75</td>
</tr>
</tbody>
</table>

Table 13- Leadership styles

Table 14 here below illustrates the correlation analysis among leadership styles and organizational culture types that we explore in this study. The correlation coefficients show that a participative leadership is more correlated to an innovative culture, while an instrumental style is more correlated to bureaucratic culture. Supportive leadership shows the highest correlation degree with innovative culture. Moreover, participative leadership exhibits a high correlation to supportive culture.
The willingness to promote supportive and participative styles of leadership underlies a running project about leadership, aimed at determining a leadership model for Monnalisa which integrates the four levers of guiding, helping, involving and activating.

**Organizational structure**

We have considered two types of organizational structures, which show very different features. They are reported below.

\[
\begin{array}{cccccccc}
\text{Innov_cult} & \text{Bureau_cult} & \text{Comp_cult} & \text{Comm_cult} & \text{Partec_lead} & \text{Supp_lead} & \text{Instr_lead} \\
\text{Innovative culture} & 1.00 & & & & & \\
\text{Bureaucratic culture} & 0.33 & 1.00 & & & & \\
\text{Competitive culture} & 0.63 & 0.75 & 1.00 & & & \\
\text{Community culture} & 0.75 & 0.51 & 0.68 & 1.00 & & \\
\text{Participative leadership} & 0.66 & 0.40 & 0.47 & 0.48 & 1.00 & \\
\text{Supportive leadership} & 0.50 & 0.40 & 0.43 & 0.41 & 0.73 & 1.00 \\
\text{Instrumental leadership} & 0.09 & 0.59 & 0.48 & 0.25 & 0.41 & 0.52 & 1.00 \\
\end{array}
\]

Table 14- Correlation among organizational culture types and leadership styles

\(a)\) **Bureaucratic structure**

This variable has been constructed ad hoc as the mean between hierarchy, formalization and operating procedures.

At Monnalisa, it is perceived to be medium-high on average.

\(b)\) **Knowledge sharing-oriented structure**

Knowledge sharing-oriented organizational structure has been evaluated by the extent to which the Company’s organizational structure fosters members’ interaction and knowledge sharing, promotes team work rather than individual one and facilitates knowledge creation. In such organizational structures, knowledge flows both across informal and formal links, thanks to employees’ inclination toward cooperation. The most knowledge sharing-oriented
organizational structures are endowed with a reward system which incentivizes knowledge transfer.

At Monnalisa, such orientation has been considered to be medium, with a mean of 4.167. This is a bit surprising if we consider that the factors (i.e. top management support, participative style of leadership, autonomy and integrating mechanisms) which contribute to the formation of such a type of structure are valued higher.

It can be deduced that, despite the implementation of many mechanisms for facilitating knowledge sharing, a rather strong hierarchical structure still inhibits free communication flows to some degree, as much as high levels of formalization.

A second explanation, which is worth also for the average rating attributed to knowledge sharing-oriented organizational culture, may concern the difficulty of employees to identify such knowledge sharing efforts in general terms, that is when they are not specifically related to a management practice.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bureaucratic structure</td>
<td>21</td>
<td>4.95</td>
<td>0.86</td>
<td>3.14</td>
<td>6.43</td>
</tr>
<tr>
<td>KS-oriented structure</td>
<td>21</td>
<td>4.17</td>
<td>1.26</td>
<td>1.83</td>
<td>6</td>
</tr>
</tbody>
</table>

Table 15- Organizational structure

**Technological factors**

Technological factors have been measured by ICT utilization and ICT efficacy, analyzed below.

\[\textit{a) ICT utilization}\]

This variable has been assessed by the degree to which employees make use of online databases, data warehousing and other electronic archives in order to access to knowledge and by the degree to which they communicate with colleagues thanks to web networks such as intranet, social networks and the like.
At Monnalisa, it has been valued to be medium-high (5.05). It is an interesting result, since small-medium enterprises generally do not invest much in technology infrastructures in order to obtain and share knowledge. Such medium-high ICT utilization is another signal of Monnalisa’s orientation toward innovation, which has been developed also in technological terms.

In September 2011, the Company’s in-house portal, was completed. The website allows the collaborators to find any information relative to the Company, work relations, company processes and training. Besides the informative section, there is also an interactive one (i.e. the forum), ticketing for specific in-company activities, trip calendars, comments and voting, the bulletin board and so on.

b) ICT efficacy

It has been appraised by the degree to which technological structures positively contribute to employees’ productivity and efficiency as well as to knowledge sharing and knowledge development and by the degree to which they simplify colleagues’ cooperation within the organization. ICT efficacy means being in contact with those people holding the necessary knowledge in a simpler and more rapid way.

ICT efficacy has been valued even higher than ICT utilization (5.43), underlining the successful implementation and utilization of the technology available within Monnalisa.

We may conclude that the portal is able to help people work better through the collaboration and availability of useful information. It tries to enhance everyone’s innovation and creativity, to obtain the most from colleague collaboration, to manage information and knowledge in an easier and quicker manner, to share good ideas and effective practices and to work in a decentralized way.
Innovation

Innovation has been studied at the organizational and the individual level.

a) Organizational innovation

Organizational innovation has been evaluated by the extent to which the Company is creative in its operating procedures, tests new ideas, and explores new procedures for executing tasks. Boasting a first-mover advantage in launching new products and augmenting the range of products offering are also considered indicators of such innovation.

The mean score attributed to organizational innovation results to be high (5.53.), whereby only 9% of the sample regards it as quite low. This means that Monnalisa succeeds in addressing its innovative stimulus, so that the organization results to be permeated by innovative initiatives.

As can be read in the Annual Report (2011), innovation is regarded as a continuous process involving every aspect of the company. It starts from Monnalisa’s core business, regarding styling, applied research, and the manufacturing of products. Innovation is measured by the ratio of R&D spending over the turnover and by the percentage of collections introduced on the market with respect to the total of those prototyped. While the R&D spending share in 2011 diminished comparatively to that of the previous year (8.30% vs. 8.59%), the percentage of models launched into the market has increased (92.6% vs 86.58%) (Annual Report, 2011).

For Monnalisa, innovation means the ability to realize products which highlight people’s know-how and creativity and to identify useful solutions for

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICT utilization</td>
<td>21</td>
<td>5.05</td>
<td>1.63</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>ICT efficacy</td>
<td>21</td>
<td>5.43</td>
<td>1.41</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 16- Technological factors
the company. For the Company, innovating means changing something in order to rationalize costs, increasing revenues and competitiveness.

Monnalisa’s orientation toward innovation seems to be perceived also by the newly hired personnel. Indeed, as highlighted in the Annual Report (2011), the majority of recently hired employees defines the Company as being innovative.

\[ b) \text{ Individual innovation} \]

Individual innovation has been measured by the extent to which employees generate ideas in order to manage difficult situations, search for new practices, techniques or new tools to be implemented, support the pursuit of innovative solutions or obtain the approval for them. Innovative employees render the key members of the organization enthusiastic about their innovative ideas and they are able to turn them into useful concrete application.

The level of individual innovation is rated quite high, the mean being 5.07, as illustrated in the table below. Only 5% of the sample marked it low (1.22). Therefore, a quite strong innovative feature is also present at the individual level. This could have been quite predictable, since organizational innovation necessarily calls for innovative people, whose motivation and personal characteristics play an important role in the learning process. Innovation is a social process, too.

As Monnalisa itself declares in its annual reports, any innovation starts and develops from persons, in which motivation, commitment, willingness and competences are concentrated.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational innovation</td>
<td>21</td>
<td>5.53</td>
<td>1.06</td>
<td>3.33</td>
<td>6.83</td>
</tr>
<tr>
<td>Individual innovation</td>
<td>21</td>
<td>5.07</td>
<td>1.11</td>
<td>1.22</td>
<td>6.33</td>
</tr>
</tbody>
</table>

Table 17- Innovation


Knowledge sharing dimensions

We have analyzed knowledge sharing by splitting it into its two dimensions, as identified by Lin (2007). They are knowledge donating and knowledge sharing.

a) Knowledge donating

The level of knowledge donating has been measured by the extent to which employees voluntarily share their learning experiences with colleagues. Drawing on Van den Hooff and Van Weenen’s (2004) definition, knowledge donating stands for the organizational members’ willingness to actively interact and communicate with colleagues. At Monnalisa, this has been valued on average as medium-high (4.49), this signifying that its people often spontaneously contribute to knowledge sharing. Only 5% of the sample has rated it 1.

b) Knowledge collecting

This second dimension of the knowledge sharing process has been valued through the extent to which employees transfer to their colleagues the information and expertise they possess when they are requested to do so.

Van den Hooff and Van Weenen (2004) characterize it as active consulting with colleagues for obtaining the knowledge they need from them.

Knowledge collecting at Monnalisa has been assessed to be even higher than knowledge donating, with a mean of 5.70 and a narrower range (3.5-7), as we can see from Table 18 below. It can be inferred that processes for gathering knowledge from various sources is well developed in the Company. It seems that it is more likely to obtain the necessary knowledge at request rather than by means of natural eagerness to share.
3.4.2 Selection of variables of interest for the correlation analysis

According to the objective of the analysis, hereafter we will analyze only the type of culture and the style of leadership which show the highest ratings. Hence, we will consider innovative culture and discard competitive, community and supportive cultures. However, previous insights about these variables have been useful. Indeed, it is important to precise that, even though employees perceive that the innovative culture is the dominant type, elements characterizing the other types of culture are somewhat present. Similarly, we will consider participative leadership style while ignoring supportive and instrumental styles. Taking into account participative leadership implies admitting also some features of supportive leadership, given that they are linked by a correlation higher than 0.70. The same motivation is provided when considering only ICT efficacy, being highly correlated to ICT utilization. Considering ICT efficacy necessarily contemplates ICT utilization.

The variables representing the object of our correlation analysis are listed below, divided into dependent and independent.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Obs</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge donating</td>
<td>21</td>
<td>4.49</td>
<td>1.43</td>
<td>1</td>
<td>6.67</td>
</tr>
<tr>
<td>Knowledge collecting</td>
<td>21</td>
<td>5.70</td>
<td>0.98</td>
<td>3.5</td>
<td>7</td>
</tr>
</tbody>
</table>

Table 18- Knowledge sharing dimensions
Dependent variables
- Organizational innovation
- Individual innovation
- Knowledge donating
- Knowledge collecting

Independent variables
- Formal integrating mechanisms
- Autonomy
- Formalization
- Top Management support
- Intrinsic Motivation
- Reward systems
- Knowledge sharing-oriented culture
- Innovative culture
- Self-efficacy
- Participative leadership
- Knowledge sharing-oriented structure
- Bureaucratic structure
- ICT efficacy

3.5 Correlation analysis

The objective of our correlation analysis is threefold. Thus, we aim at verifying the correlation between:
a) the selected independent variables and the two knowledge sharing dimensions (i.e. knowledge donating and knowledge collecting)
b) the selected independent variables and the degree of innovation
c) the two knowledge sharing dimensions and both organizational and individual innovation.

We have preliminarily conducted a pairwise correlation analysis in order to ascertain whether there are one or more of the independent variables that are highly correlated with each other. In such situations, indeed, collinear variables do not furnish unique information, and it becomes difficult to separate the effects
of such variables on the dependent variables. For our following analysis, we have discarded one of the two correlated independent variables, they being interchangeable with a nontrivial accuracy. Table 19 offers the correlation coefficients of the variables analyzed.

As we can see, knowledge sharing-oriented organizational structure, top management support, and participative leadership are highly correlated to knowledge sharing-oriented culture as well as to innovative culture. This may be explained by the fact that, even though they are all independent variables with respect to knowledge sharing and innovation, knowledge sharing-oriented organizational structure, top management support and a participative style of leadership may be considered to be antecedents of both types of organizational culture\(^8\). Participative style of leadership results to be strongly correlated also to knowledge sharing-oriented organizational structure\(^9\).

Consistently with such insights, we have eliminated the above-mentioned variables (i.e. participative style of leadership, knowledge sharing-oriented structure and top management support). Their effects will be implicitly taken into account, as an innovative and a knowledge sharing-based cultures can be conceived as being more likely when such variables are highly valued.

On the other hand, hierarchical and bureaucratic structure is highly correlated to formalization. This could have been expected since the former factor has been derived ad hoc as the mean between formalization, hierarchy, and operating procedures. In fact, a high degree of formalization generally implies an organizational structure characterized by several hierarchical levels, where employees are not allowed to divert from precise instructions about how to perform their activities. Thus, we have dropped the hierarchical structure variable, highlighting that its effect is included in the formalization variable, to some degree.

---

8 Thus, one source of organizational culture is organizational structure (Jones, 2007).
9 Minzberg (1989) reveals a correlation between the leadership style and the organization form. A participative style, for example, will be associated with a flat structure, which, in turn, will be related to an innovative culture.
The very high correlation linking autonomy and intrinsic motivation should not come as a surprise, since it has been demonstrated that job autonomy increases intrinsic motivation (Deci and Ryan, 2000). We have eliminated autonomy, since we believe that intrinsic motivation to knowledge sharing is more directly related to knowledge sharing dimensions.

Lastly, knowledge sharing-oriented culture and innovation culture result as being strongly correlated. This may be explained by the fact that items utilized to evaluate the two cultures are very similar. In fact, as defined by scholars (De Long and Fahey, 2000; Van den Hooff and Van Weenen’s, 2004), the former is inherently a culture promoting innovation. We will use knowledge sharing-oriented culture for correlation against knowledge sharing, while innovative culture for correlation against innovation.

Here we have reported those independent variables showing a correlation higher than 0.70.

<table>
<thead>
<tr>
<th></th>
<th>KS_cult</th>
<th>Innov_cul</th>
<th>KS_struct</th>
<th>TopM_su</th>
<th>Partec_l</th>
<th>Bureau_str</th>
<th>Formaliz</th>
<th>Auton</th>
<th>Intr_m</th>
</tr>
</thead>
<tbody>
<tr>
<td>KS_cult</td>
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<tr>
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<td>TopMan_s</td>
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<td>0.77</td>
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<td>1.00</td>
<td></td>
<td>0.82</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Bureau_str</td>
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<td>0.09</td>
<td>0.19</td>
<td>0.09</td>
<td>0.31</td>
<td>1.00</td>
<td>0.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formaliz</td>
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<td>-0.19</td>
<td>-0.06</td>
<td>-0.06</td>
<td>0.01</td>
<td>0.82</td>
<td>1.00</td>
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<td></td>
</tr>
<tr>
<td>Autonomy</td>
<td>0.56</td>
<td>0.62</td>
<td>0.48</td>
<td>0.39</td>
<td>0.53</td>
<td>0.24</td>
<td>-0.07</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Intrinsic_m</td>
<td>0.69</td>
<td>0.61</td>
<td>0.54</td>
<td>0.53</td>
<td>0.45</td>
<td>-0.03</td>
<td>-0.19</td>
<td>0.78</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Table 19-Correlation analysis of the selected independent variables

3.5.1 Antecedents of knowledge sharing

The following correlation matrix (Table 20) confirms most predictions formulated in the first theoretical chapter.
Indeed, both knowledge sharing dimensions are strongly and positively correlated to intrinsic motivation at work and knowledge sharing-oriented culture.

Nonetheless, formal integrating mechanisms show a quite low correlation to knowledge sharing dimensions. This may be explained by Monnalisa’s belonging to small-medium enterprises category, in which knowledge sharing mostly flows thanks to informal opportunities to share (Jones and Jordan, 1998).

Reward systems for knowledge sharing show a medium-low correlation. This may be owed to the lower appreciation for rewards by employees and it may include the effect theorized by some authors (McDermott and O’ Dell, 2001), according to whom tangible rewards may frustrate employees’ knowledge sharing behavior.

ICT efficacy is very low correlated to knowledge sharing dimensions. Again, this is line with SMEs’ knowledge sharing literature, according to which technology plays a marginal role in supporting knowledge.

As we could have expected, formalization shows a negative correlation, even though it is very low. The limited freedom allowed to employees and their strict adhesion to their supervisors’ instructions are considered to hinder knowledge sharing. Such moderated correlation, instead, may be explained by the belief that a certain degree of structured and standardized procedures are required for acquiring, controlling and sharing knowledge, since they ensure clear communication channels and institutionalize knowledge hubs to which employees can make reference (Graham and Pizzo, 1996).
Table 20- Correlation matrix among knowledge sharing dimensions and the selected independent variables

<table>
<thead>
<tr>
<th></th>
<th>$K_{donat}$</th>
<th>$K_{collect}$</th>
<th>Integr_m</th>
<th>Formaliz</th>
<th>Intr_m</th>
<th>Reward_s</th>
<th>KS_cult</th>
<th>ICT_effic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge donating</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge collecting</td>
<td>0.78</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrating mechanisms</td>
<td>0.22</td>
<td>0.31</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formalization</td>
<td>-0.13</td>
<td>-0.06</td>
<td>0.05</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic motivations</td>
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<td>0.55</td>
<td>0.46</td>
<td>-0.19</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reward system</td>
<td>0.40</td>
<td>0.28</td>
<td>0.11</td>
<td>0.10</td>
<td>0.30</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KS-oriented culture</td>
<td>0.82</td>
<td>0.73</td>
<td>0.51</td>
<td>-0.17</td>
<td>0.69</td>
<td>0.3</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>ICT efficacy</td>
<td>0.11</td>
<td>0.07</td>
<td>0.13</td>
<td>0.41</td>
<td>0.15</td>
<td>0.2</td>
<td>0.12</td>
<td>1.00</td>
</tr>
</tbody>
</table>

3.5.2 Antecedents of innovation

The following descriptive analysis involves the correlations between organizational and individual innovation, and some individual and organizational factors considered to influence the former (Amabile et al., 1996; Lin, 2007).

The results confirm previous academic research findings that some knowledge sharing antecedents also influence innovation (Liu and Phillips, 2010).

The highest correlation is shown by innovative culture, as we could have easily expected.

Also intrinsic motivation at work shows a quite high correlation, which is higher for individual innovation.

Formal integrating mechanisms exhibit a higher correlation to innovation with respect to knowledge sharing. Such higher correlation may imply the higher need for cross-functional collaboration, a prerequisite for coming up with innovation outcomes. Knowledge sharing, instead, may also happen within single departments.

Formalization results to have a low negative correlation to organizational innovation and correlation close to zero with respect to individual innovation.
Such mitigated negative relationship may be explained in the same manner as we have done for knowledge sharing. In fact, the usefulness of a certain degree of formalization has been advocated, which allows managers to effectively measure innovation and to ensure ready identification, retrieval and accessibility of resources necessary for innovation outcomes (du Plessis, 2007).

<table>
<thead>
<tr>
<th></th>
<th>Org_innov</th>
<th>Indiv_inn</th>
<th>Int_mech</th>
<th>Formaliz</th>
<th>Intr_m</th>
<th>Innov_cul</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational innovation</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual innovation</td>
<td>0.678</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integrating mechanisms</td>
<td>0.642</td>
<td>0.39</td>
<td>1.00</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Formalization</td>
<td>-0.066</td>
<td>0.01</td>
<td>0.05</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intrinsic motivation</td>
<td>0.547</td>
<td>0.77</td>
<td>0.46</td>
<td>-0.19</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Innovative culture</td>
<td>0.755</td>
<td>0.70</td>
<td>0.43</td>
<td>-0.19</td>
<td>0.61</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Table 21- Correlation matrix among innovation and the selected independent variables

### 3.5.3 Relationship between knowledge sharing and innovation

Table 22 here below, relating knowledge sharing dimensions to individual and organizational innovation, shows that a quite high positive relationship between the variables exists. This might not be surprising, since we have earlier demonstrated that knowledge sharing and innovation have some common antecedents. This result may be considered satisfying, considering the several additional variables influencing knowledge sharing as well innovation.

<table>
<thead>
<tr>
<th></th>
<th>K_donating</th>
<th>K_collecting</th>
<th>Org_innov</th>
<th>Indiv_inn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge donating</td>
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<td></td>
<td></td>
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<tr>
<td>Knowledge collecting</td>
<td>0.78</td>
<td>1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational innovation</td>
<td>0.51</td>
<td>0.5</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Individual innovation</td>
<td>0.52</td>
<td>0.5</td>
<td>0.68</td>
<td>1.00</td>
</tr>
</tbody>
</table>

Table 22- Correlation matrix among knowledge sharing dimensions and innovation
3.6 Interviews

3.6.1 The relationship between internationalization process and knowledge sharing

In order to discuss about Monnalisa’s internationalization, it is important to treat separately upstream and downstream internationalization. The former concerns Monnalisa’s relationships with suppliers, while the latter concerns the Company’s relationships with clients.

Downstream internationalization

Currently, Monnalisa distributes its products through four channels: wholesale (i.e. independent multi brand stores); wholesale retail (i.e. single brand in partnership); corporate retail (i.e. direct single brand); and e-business retail (i.e. shop-on-line addressed to end customers). However, it is interesting to illustrate the internationalization path which has led the Company to its current scenario.

Historically, the Company’s downstream internationalization began in the early 1980s, when the owner Iacomoni and his collaborator travelled by camper abroad for participating in fairs. The distant origins of internationalization testifies that Monnalisa has always looked at the global market with continuity.

Monnalisa, whose motivations for entering foreign markets were primarily driven by the saturation of the domestic market, has enjoyed a first mover advantage in terms of network relationships with respect to its competitors. Attending fairs, apart from placing orders, gave the opportunity to gain knowledge about the market and gain local contacts, some of which, indeed, subsequently developed into long-term agreements with distributors or agents.

The Company early understood that, in order to operate in new markets, it was fundamental to conduct a preliminary check on the relevant actors of the reference market and on the operative conditions, things that cannot be explored
nor tested without pursuing a strategy oriented toward a constant development of knowledge networks in those markets. Hence, after having established interesting relationships with local distributors and dealers\textsuperscript{10} in the foreign markets of interest, Monnalisa proceeded with indirect exports, in which the commercial role was delegated to independent distributors.

All managers interviewed have agreed upon the convenience of starting the international experience by indirect exports, which very often constitute the only way to penetrate for a small-medium enterprise which lacks substantial financial resources and a solid cross-border reputation until that moment.

Exporting is not like selling in the domestic market. There are some rules to follow, from customs rules to delivery times, up to cultural approach. First of all, exporting means understanding foreign people’s culture.

At the beginning, when Monnalisa lacked cultural and international knowledge, distributors served as a preferential source of acquisition of such knowledge, besides for selling its products.

The type of contract drawn up with them poses the accent upon the possibilities for having all the information and for establishing \textit{ex ante} the sales catalogues and the commercial procedures, in order to be consistent with Monnalisa’s ones. Rather than having just someone who sell its products, Monnalisa searches for an “arm” which puts in place its commercial policies in a consistent way worldwide.

Monnalisa tries to actualize knowledge -coming from and coming to distributors- not simply through email exchanges. Questionnaires upon specific activities are prepared, such as sales campaign reports, but, above all, a Customer Relationship Management platform has been designed, where orders are transmitted, clients’ presentations are drawn up and detailed updates about clients’ situations and specificities (e.g., frequencies of visits and preferences) have to be observed. Furthermore, the internal portal of the Company has been

\textsuperscript{10} The dealer is an individual or firm that buys goods from a producer for wholesale and/or retail selling. Unlike a distributor, a dealer is a principal, not an agent.
opened to distributors and agents, allowing them to find relevant information (e.g., opening of a store in a new location, promotion activities, etc).

Nevertheless, the ICT department Head and the CEO have clarified the impossibility for technological tools to substitute personal relationships. Technology may codify and increase the efficiency of information flow, but also the most advanced one will always be more static than personal interactions. There do not exist advanced informative systems to query; rather, personal relations are developed. That is why the communication channels between the Company and the foreign distributors are mostly represented by face to face meetings. Some members from sales and marketing function travel continuously all over the world and the knowledge acquired is then dispersed across all organizational functions. In its turn, the sales and marketing function possesses knowledge about each organizational area, this being useful when it interfaces with the foreign distributors.

All the managers interviewed have underlined the importance of broadening knowledge and establishing increasingly updated and effective communication. They maintain that without knowledge sharing it is impossible to keep contacts and develop valuable relationships. Indeed, the most precious sources of knowledge and information are the point of sales, that is the end customers of the country of reference. Even only the simple quantitative analysis of data can give an insight into the consumption model of a certain foreign country. At the qualitative level, the shop assistants first and the distributors later have to be able to convert the objective information in valuable knowledge to address to the Company. If communication with distributors does not work, the Company is prevented from getting knowledge about clients.

While trying to explain such importance, the sales manager has unwittingly let emerge the spontaneous element of knowledge sharing, that is knowledge donating. He has reported the difficulties caused by time zone differences between the various countries where they are present in order to highlight the
importance of willingness to share knowledge between globally dispersed distributors and Monnalisa’s domestic employees. In order to enable one employee to perform his task, distributors should be available to give the necessary information also beyond office hours.

The same manager has argued that going international means not only interacting with external actors but also changing the mindset and the way of working of Monnalisa’s members, who had to embrace a global orientation in order to be receptive to understand differences in culture and in operative conditions in foreign markets. Otherwise, their perspectives and interpretative schemes remaining so divergent, they would not be able to share knowledge with distributors and other local stakeholders, and therefore to exploit it internally. Embracing a global mindset is an urgency at any level of the organization. Even the warehouse worker should understand that sometimes his activities can be modified on the basis of foreign clients’ characteristics.

The sales manager has underpinned the reasoning by considering the flexibility required by the legislation, according to which they have recently been obliged to re-design internal labels. Internal adaptation to international challenges again calls for knowledge sharing. Knowledge should flow internally, so as to facilitate the acceptance of changes by everyone and to be responsive and aligned in implementing them.

If during the starting phase such indirect channel distribution structure relieved the Company from issues associated with the management of a plurality of foreign markets, then Monnalisa has realized that it was becoming a weak point for overseeing them. The distributors do not allow a direct relationship with clients or to get “fresh” and detailed information about the market. At his arrival, the CEO noticed that in Monnalisa there was a culture according to which it seemed to be impossible to work except through distributors, while he was sure of the contrary.
In regards to this, he has told us an unsuccessful experience with a dealer in Russia. Apart from the fact that the risk was concentrated on a single subject, Monnalisa did not know its clients at all. Emblematic was realizing that the sales manager at that time did not know neither the precise number of Russian stores selling Monnalisa’s products nor the shop windows.

So, the CEO decided to close this contractual agreement, which had lasted twenty years before the break, and to initiate the direct experience. For this purpose, Monnalisa hired a Byelorussian in the overseas sales department and an ex-employee of the former Russian dealer, opened a showroom in Moscow, together with other Italian companies, and seven corporate retail stores (i.e. direct single brand). Hiring some locals has been a very smart strategy, considering the knowledge they have about Russian business practices. Finally, Monnalisa can say that it knows its clients, who have an actual relationship with the firm, as it should always be, given that Monnalisa is a customer-oriented company.

It can be argued that, from the downstream perspective, customers constitute the primary and more fundamental source of external knowledge for Monnalisa. They provide the firm with information about competitors and feedback on the Company’s performances in terms of product quality, customer care, and so on. They represent a source of enrichment for both commercial and product development aspects, allowing collecting market-specific knowledge.

As the marketing manager has marked, information converts into knowledge only if the former is internally elaborated and brought inside the Company. It is not easy to convert information into knowledge and knowledge into organizational processes. These three steps become even more difficult the more intermediaries are present in the middle.

When asked what were the main organizational mechanisms facilitating such conversion process, he answered the direct retail, which allows to acquire information in a purer, clearer and more transparent manner, by minimizing
filters between end-customers and Monnalisa. In a wholesale store, where Monnalisa’s products are sold together with other brands, it is more difficult to recover information within the shop and take it back to the Company. Instead, if a person enters a single-brand Monnalisa store, that person is surely interested in the Company’s products and he or she will give some useful feedback. The corporate retail constitutes the trail bench, where Monnalisa continuously experiments new approaches and new sales formulas in order to study the customers’ reactions.

Another channel which has been increasingly facilitating knowledge acquisition and exploitation is the usage of social networks for interacting with customers. When an end-customer replies to a Facebook post, he or she delivers to the Company a no-filtered answer, without subjective interpretations by somebody else.

The CEO has recalled how difficult it was to persuade all organizational members to adopt this new strategy, which would have required changes in organizational processes, such as more investments in brand communication and a deeper monitoring of performances on products and point of sales. Having a direct contact with clients for sure entails different approaches, since the counterpart of the relationship is no longer a firm, but the end-customer.

In Russia sales figures have proved the rightness of such strategic choice, those having risen from 15 thousand to 97 thousand products sold. As a consequence of the Russian successful experiment, the Company has been gradually substituting direct channels to indirect ones in many other countries, removing distributors and dealers. From recently, it has been entering through foreign direct investments in new markets. In China it has resorted to local personnel which works for the firm thanks to Monnalisa’s offices located there. In this way, Monnalisa can have stricter and more detailed monitoring, so as to follow the market on the basis of its commercial policies.
Direct stores include those totally owned by Monnalisa and those opened through joint-ventures. In the case of joint-ventures, personal relationships with partners are essential. There is always know-how exchange: Monnalisa brings innovation, creativity, marketing instruments; on the other side, the indigenous partner contributes with the control of the territory and the knowledge about customers’ tastes and needs. The contemporaneous presence of Monnalisa’s personnel and the partner’s personnel in the foreign market makes knowledge sharing easier, especially that in tacit form.

Clearly, this strategy cannot work everywhere. First of all, establishing many direct channels is very costly for a small-medium enterprise and sometimes prohibitive. Furthermore, there are some countries where distributors are the sole condition for accessing the market.

The decision to invest primarily in direct exporting was not the only cause for reluctance. The CEO has told us that, ignoring the competitive context of the last five years, the members of the Board of Directors, except the owner, did not even understand the rationale of continuing to expand internationally. The only one who supported him from the beginning was the owner Iacomoni. Despite the initial resistance, starting from 2009, with the entry of Christian Simoni -who was to become the CEO- in the Company, export shares have begun to surge. If in 2009 export represented the 22-23 percent of total revenues, now the ratio has reversed.

Independently from the length of the distribution channel, the most frequently implemented entry mode is exporting. The CEO has explained their rationale. It is the easiest and the most flexible strategy, for which the lowest financial investments are required.

To the question whether exporting was preferable also for the opportunities it gives in acquiring foreign market knowledge, he answered that childrenswear
does not require very complex knowledge concerning customers. Moreover, globalization has led to a homogenization of preferences. He added that the preliminary analysis of foreign markets occurs by physically going there, in the field, in a very pragmatic manner. He listed the destinations covered in less than four weeks: the Chairman had just come back from Chile and he would leave the following day for Canada and the next week he would go to China, together with the CEO, who had returned from Dubai the previous week. While, the export sales manager had come back from Kazakhstan and another manager would leave for Serbia and Singapore.

Another very important change in the internationalization approach concerns the abandonment of licensing, which earlier was intensively utilized. Monnalisa granted the rights to use its brand for production and subsequent products’ distribution.

Since 2000, Monnalisa has entered a licensing agreement with a Chinese company, in which it also had a minority ownership. The contract granted the licensee to select a part of Monnalisa’s pattern book, to re-produce it as close as possible to the original one and finally to distribute such re-produced apparel predominantly in single-brand stores in China. At a certain point, there were 130 single-brand Monnalisa stores in that country. This strategy was pursued also in Egypt, Chile, India, Taiwan and other locations. The aim was to increase licenses, since they were considered the only means for accessing such countries.

Currently, licensing has survived only in Brazil, whose entry results to be difficult because of a variety of barriers, from tariffs to others\textsuperscript{11}. Licensing strategy has been dropped because it did not lead to knowledge sharing with the licensees at all. There were only divergent and incompatible views; interpretative schemes of reality were absolutely different. Once having

\textsuperscript{11} For this reason, in Brazil, Monnalisa has signed an agreement in the country to transfer technology with a local partner to produce collections locally and it has set commercial and franchising agreements for the distributions of these collections in South America.
obtained the license, these firms were not interested at all in developing a fruitful knowledge relationship and Monnalisa could no longer exert control over manufacturing, marketing and strategy.

For instance, to the Chinese licensee, which was sued by the Company some years ago, selling Monnalisa’s products at a price even lower than those of Chinese brands seemed to be the best solution. It ended up with a situation in which Chinese Monnalisa stores did not have a consistent image, the products underwent significant modifications, thus losing the Monnalisa’s distinguishing features, quality was different and price was very much lower than that set for European markets. The relationship with that licensee was not truly a partnership in the practice, as one manager has said.

The harsher resistance to licensing removal came from the owner Iacomoni, who regarded it as the best thing ever done. The CEO has admitted that in the starting phase, when no one knew Monnalisa abroad, it was a very smart intuition. But when in the mature phase, thanks to image and marketing operations, it became a well-known brand, Chinese customers wanted Monnalisa, no longer “the Chinese version of Monnalisa”. As the CEO has recognized, things evolve and it is necessary to be capable to change approaches.

With regard to internationalization process, it has emerged also the role played by innovation. Apart from the abovementioned Company’s portal extended to external stakeholders, one of the most important innovations has been represented by e-commerce, according to the marketing manager’s belief. The e-commerce platform, which is both B2B and B2C, was born in order to institute a channel would act as a bridgehead in very far and unfamiliar markets. In this sense, again, internationalization has impacted knowledge sharing processes.

As the marketing manager pointed out, innovation transcends technology and accelerates internal organizational processes (e.g. logistics, creative processes).
Monnalisa can reach foreign markets only if internal processes have been innovated and modeled in function of internationalization.

*Upstream internationalization*

Recalling that Monnalisa outsources the entire production process, 60 percent of products continues to be manufactured by external suppliers in Italy, while the remaining 40 percent is committed to foreign suppliers. Production is externalized to Albania, Tunisia, Turkey, Bulgaria and other emerging countries, but mostly in China, where about 85 percent of the entire foreign production is manufactured.

The normal process consists of buying end-products whose manufacturing is delocalized in several countries, bringing them back to Italy, where there are logistics and quality control functions, and then exporting anywhere or selling those goods in the Italian market.

The foreign production experience, driven by pressures for cost reduction, began in 2000, when Monnalisa entered the license agreement with the Chinese firm that we have talked about in the previous paragraph. As mentioned earlier, the partnership, consisting of granting the right for producing and then retailing under Monnalisa brand, did not work. The relationship was not characterized nor by knowledge sharing process, neither through collaboration; product features and quality became very far from the Monnalisa brand identity. For these reasons, Monnalisa sued this Chinese firm and terminated the relationship.

Apart from production licenses, until recently the Company outsourced end-products from a Hong Kong firm. It limited itself to commission products to the supplier, which had to conform to Monnalisa’s design in their realization. There was neither a direct contact with the supplier, since Monnalisa bought through a dealer. The length of the supply chain rendered it extremely difficult to establish a productive relationship with the supplier and share knowledge with it.
As a consequence, in the last six months, the Company has started to settle its own offices in foreign countries, in charge of managing relationships with suppliers and production planning.

At the mature phase of the internationalization process, the need for establishing the Company’s subsidiaries has emerged, so as to ensure a more direct control on suppliers. Having its own organizational members abroad means acquiring a knowledge endowment, developing competences and gaining more autonomy. A local presence permits to acquire direct feel for preferences and practices in the market and to gain a more differentiated knowledge of the customers and the local business. It also implies representing the Company, thus claiming the consistency of the brand identity worldwide.

Monnalisa’s ultimate aim in upstream internationalization is to duplicate its domestic organizational structure in the main foreign markets. This process has already been put in motion in China, where a platform has been created which serves to send the goods produced there directly to Chinese, Japanese or US clients, without firstly returning back to Italy.

These changes in internationalization have provoked an incredible impact on the knowledge which Monnalisa’s organizational members should be provided with. Intra-organizational knowledge sharing processes changed given the shift of many employees from the supply department to the purchase finished goods department. With such a transfer, new issues and dynamics came up (e.g., the management of sub-suppliers), so that training courses relative to the goods delivery, Intrastat, customs aspects and so on became necessary. Employees who were assigned new tasks and responsibilities needed to learn from those who possessed that expertise.

If those changes have become effective, a manager has criticized the Monnalisa’s international approach to styling activities, in which he has identified room for improvements. In fact, as he has said, Monnalisa cannot send a technical file written in Italian; employees cannot assume that foreign suppliers
have the same Italian mindset and culture. This calls for the need of increasing culture and market-specific knowledge, which serves not only to meet foreign customers demands but also to let Monnalisa’s organizational members and their suppliers understand each other and collaborate.

Furthermore, knowledge sharing between suppliers and the Company serves to ensure efficiency and the matching between externalized production activities and internalized logistics activities. To this end, a manager has defined “dramatic” the transmission of problems raised by customers and of the knowledge acquired on the market up to suppliers. The difficulty comes from the fact that the customers’ “shock wave” hits Monnalisa, whose organizational structure ends up with softening the customers’ demands before they reach the suppliers.

However, Monnalisa always tries to promote long-term relationships with suppliers based on transparency and correctness and that guarantee conditions for successful marketable products. The acquisition of ISO 9001 and SA8000 certifications demonstrate the willingness of the Company to involve suppliers in a common path toward continuous improvement. The compliance with these standards as well as the realization of successful marketable products would not be not guaranteed if there were not collaboration and a multidirectional flow of ideas and information.

The CEO has specified that there are some suppliers that do not constitute a source of knowledge for the company, but also in this case Monnalisa cannot neglect communication. Indeed, at least, it must be sure that its standards and procedures are followed. Then, there are other suppliers who represent a very important source of learning with respect to product innovation. Clearly, Monnalisa tend to value more such kind of relationships. It happens very frequently that they give their contribution via informal channels.
3.6.2 How the organizational architecture facilitates knowledge sharing

Since 2011, with the change in corporate governance, which has ratified the general mandate to the newly appointed CEO Christian Simoni, Monnalisa has shifted from a centralized structure where all the decisions appertained to the owner Iacomoni to a structure where decision-making power is more diffused. The Board of Directors formulates the strategic plan, which is then implemented in a more operative plan for each function. At this point, the plan is discussed with the various managers during the Manager Committee. When the plans are discussed with managers, an intensive knowledge sharing occurs, because managers are asked to propose solutions or to present issues and, in the end, the plan is the result of each of their contributions.

In the last step, objectives are communicated to employees. The way in which knowledge is shared between departmental managers and their employees varies depending on the specific area.

For instance, in the operation function, knowledge sharing mainly occurs through formal communication channels. The operation manager arranges periodical meetings which present the opportunity to discuss issues, to give information and to update. At the end of these meetings a document is issued.

In the styling and sales and marketing functions formal meetings are usually not set and knowledge sharing occurs exclusively through informal interactions.

The operative plans, which have a three year-time horizon, are reviewed annually in order to be adjusted when context requires it. It frequently happens that objectives are re-formulated or increased. Such quick adjustments are possible thanks to effective cross-functional, upstream and downstream communication and the autonomy allowed at the lower levels.

It may happen that projects which have been launched by the Board result to be unfeasible when the employees dedicated to their application give their feedback. In this and other cases, as the ICT manager has told us, proposals coming from
the lowest levels of the organizational hierarchy are taken into consideration and encouraged by the top management.

Once, the CEO said that if every day each employee had had a valuable idea, the Company would have been a hundred times more “explosive” than it was. Monnalisa’s small dimensions allow any organizational member to provide a constructive idea, being sure that he will be listened to. The implementation of some projects sometimes causes unplanned consequences which trigger employees’ mutual adjustment for finding new solutions. This generates new knowledge. If solutions are effective, the top management will integrate them in future.

Still, it may happen that, before being discussed at upper levels, the idea of a project is firstly generated -and its feasibility studied- at the lower levels. Hence, with the new governance, the organizational chart has become more decentralized but a little more horizontally differentiated, because of the increase in the number of departments within each function. Nevertheless, the more effective communication channels continue to be informal.

The CEO’s settlement has translated into an increase of entrepreneurial initiatives and of the tension to change, rather than an increase in bureaucracy and in formalization. The introduction of the Manager Committee and the Ethics Committee, as well as the rules to comply with ISO 9001 and SA8000, have brought more benefits than disadvantages to knowledge sharing.

A signal of this is provided by the incredible amount of projects that have been put into motion. Project management systems and techniques have been introduced and trainings have been arranged. At any time you looked at the company in the last three years, there were about thirty-forty change projects in progress. Each project involves a project manager, other persons, a series of objectives and a budget. This approach has allowed the Company to become more open and flexible, as
competitive dynamics required. Moreover, innovation has been extremely valued, as a consequence of the tension to change.

As recognized also by the ICT manager, Monnalisa accommodates any activity, methodology, and process which has the potential to produce improvements. He views Monnalisa as extremely innovative and considers the owner’s influence to have been decisive for this.

At the beginning, resistances to such changes were encountered and, to some degrees, continue to be encountered. Especially in the operation function, employees have some worries and they do not willingly accept new inputs coming from the market. There are many employees, for example in the warehouse, that want to work in as much as possible a static way. The ICT function faces similar issues. Transforming informative systems and data flows requires efforts, changing habits, uncomfortable situations and some employees are not prone to this, they are lazy. In general, they coincide with older employees.

Another manager attributes the cause of it to the employees’ educational level and their learning ability. Until 2004, organizational learning looked only inward, and no training nor external refreshers courses existed, so that the organizational practices did not match up with the innovation race that the owner has always fostered. Recently, also thanks to the acquisition of the ISO 9001, the situation has been modified, with the Company hiring people provided with great expertise and professional competences. Monnalisa has also introduced a new staff role, the special project manager, who acts as a facilitator of very important changes which require the acceptance and the collaboration of all the organizational functions.

However, as the CEO has noted, employees’ attitudes strongly depend on the role they cover and on their superiors’ leadership style. If the previous manager has discouraged innovation, it will be difficult to accept to change
procedures at the new managers’ arrival. Indeed, all the managers have agreed upon the fundamental role of managers in fostering the willingness to change. The ICT manager has quantified that they manage to convince employees about 80 percent of the change projects. When they manage to, also some of those employees who were reluctant start promoting innovative ideas in their turn. In the sales and marketing function, employees’ adaptability is even stronger, this being natural given their activities. While, in the operation function, flexible people account for the minority.

In the last few years, all decisions taken in Monnalisa have been addressed to encourage collaboration, knowledge sharing and innovation. Team-works have been created, so that there is much more dialogue among organizational functions. Actually, team-works represent one of the most effective means for knowledge sharing, because ideas development entails the collaboration of many areas, whose communication dynamics are likely to amplify such ideas potential.

Besides team-works, there is an incredible amount of training courses (e.g., leadership courses, team-works courses, ECDL courses, foreign language courses). As the sales manager has confirmed, they offer infinite opportunities for improving and developing knowledge, especially through people’s interactions, which help everyone understand how to organize their own work, acquire new competences and create a collaborative climate.

Furthermore, job rotation is becoming more and more utilized. The marketing manager has overseen projects very far from his operational field and this has allowed him to know the Company 360-degrees and to be aware of the impact of his own work on the other functional areas and processes.

Also reward systems have changed and they have been adapted to the international best practice. Now, part of the bonus the employees receive in their pay-slip is linked to cross-functional objectives. Having cross-functional
objectives mean talking to each other, identifying problems causes and increasing the integration level.

3.6.3 The relationship between innovation and knowledge sharing

By having talked about the knowledge sharing enablers which are present at Monnalisa, it was unavoidable to mention innovation, since they facilitate it, too. Innovation has emerged also when we have discussed about internationalization. Herein we focus on the role of knowledge sharing attributed by the managers interviewed to Monnalisa’s innovation performance.

According to all, knowledge plays a fundamental role in innovation performance. Innovation is viewed as the ability to transform knowledge into processes and the marketing manager has tried to explain that through an example. When the Company forsook the wholesale distribution and started the retail distribution, the changes in processes did not involve only the sales and marketing function but they pervaded the entire organization. Planning the delivery to a single-brand store is not the same of planning the delivery to a multi-brand store. This entails, in particular, to involve the logistics, which did not know how to interface with a direct retail until then. Knowledge sharing processes have been re-designed on the basis of that new channel. Thus, through knowledge sharing among departments, processes were converted and innovated.

The ICT manager has highlighted that without collaboration and brainstorming at all levels of the organization, innovative ideas cannot grow up, nor they can translated into innovative outputs.

The acquisition of knowledge for innovating is not so much supported by technological infrastructure; rather, it occurs primarily during meetings and people’s interactions, as the ICT manager admitted.
3.7 Discussion

The analysis of data collected through both questionnaires and interviews has provided us with a global framework of Monnalisa’s knowledge processes. We have derived very insightful results, most of which confirming former theories on knowledge sharing discussed in the theoretical chapters.

Monnalisa’s innovation and international successful performances result to be quite enhanced by its knowledge sharing processes, which are fostered at both intra- and inter-organizational level.

With regard to the intra-organizational level, the most critical knowledge sharing enablers present in the Company are intrinsic motivational factors and a culture oriented toward knowledge sharing. The latter is determined by participative leadership style, top management support for knowledge sharing, and a knowledge sharing-organizational structure, that is configured as a functional structure characterized by low vertical differentiation, decision-making power decentralization and many formal and informal integrating mechanisms. Such organizational architecture, which has become even more flexible after the recent change in governance, fosters job autonomy, collaboration and ideas generation, so that it predisposes people to continuous change.

Knowledge sharing occurs for each activity at any organizational level. It represents the means by which Monnalisa’s top management set objectives and elaborate plans and by which objectives are shared with employees of the various areas. It constitutes the way in which timely feedback is provided, operating procedures are correctly carried out and issues are resolved. It guarantees consistency of objectives between the various functions. Above all, it represents the pre-condition for Monnalisa’s learning processes, which lead to innovation performances.
At Monnalisa many peculiarities characterizing small-medium enterprises can be tracked. The owner has been the engine of the Company’s innovative and knowledge sharing-oriented cultures, thanks to his entrepreneurial orientation through which he has always tried to instill risk-taking and proactive behaviors in the organization. Furthermore, informal communication channels are preferred over the formal ones, even though the Company has recently incredibly increased the formal opportunities to share knowledge. Valuing personal interactions, technological infrastructures do not support intensive knowledge sharing.

What renders Monnalisa further successful is that the introduction of the external figure of the CEO has not translated into a decrease of entrepreneurship; rather, the new organizational tools have managed to further increase the degree of risk taking, flexibility and tension to change.

If, on the whole, the intensive use of knowledge sharing makes Monnalisa an extremely innovative firm, always ready to accept newness, it is noteworthy to underline the presence of a certain degree of heterogeneity with respect to people’s innovative orientations among different departments. Not all employees are prone to change. In this case, knowledge sharing will not lead to innovation outcomes. The most reluctant employees are those belonging to the operation function, which is also the function where knowledge sharing occurs mostly via formal integrating mechanisms. However, it is reasonable that, given the nature of its activities, in such function efficiency must have priority over innovation. This may explain the high appreciation for formalization coming from the questionnaires. The perceived high degree of formalization and bureaucracy may also result from the introduction of top management committees, the increase in formal meetings and in the rules to follow in order to comply with ISO 9001 and SA8000 certifications. But the managers interviewed have ensured that these tools do not stifle knowledge sharing nor innovative behaviors at all.
Through interviews we have tried to understand also the anomalous high evaluation of competitive culture attributed by employees. It followed that, according to managers, a competitive culture does not exist within the Company. They have maintained that, perhaps, such rating has been the consequence of the high work pressures which employees have been undergoing in these years, because of the high number of running projects and the continuous adjustment of existing processes.

If at the lower level innovative culture is not perfectly homogeneous, Monnalisa’s managers always endeavor to make it internalized by them.

With regard to knowledge sharing at the inter-organizational level, our conclusions have been entirely drawn from interviews. It has emerged that Monnalisa integrates both suppliers and clients in its knowledge management processes and that relationships with them are the precondition for successful internationalization.

On the one hand, end-customers provide information about competitors and feedback on the Company’s performances and, hence, they represent a source of enrichment for both commercial and product development aspects. On the other hand, knowledge sharing between suppliers serves to ensure efficiency and the matching between externalized production activities and internalized logistics activities.

Monnalisa always tries to promote long-term relationships with suppliers based on transparency and correctness and that guarantee conditions for successful marketable products. The acquisition of ISO 9001 and SA8000 certifications demonstrate the willingness of the Company to involve suppliers in a common path toward continuous improvement.

Monnalisa’s experience furnishes a meaningful example of the importance of network relationships for SMEs’ internationalization, but it also warns us that
it is very difficult to build really valuable social capital, able to bring knowledge. This warning is worthy particularly when entering very psychically distant markets, where indigenous firms have a very different culture and communication can become really complicated.

In the starting phase of its internationalization, Monnalisa faced such issues. In fact, its financial constraints as well as its unfamiliarity with foreign markets, forced the Company to rely on indirect channels at both upstream and downstream levels. The relationships with intermediaries, with regard to the downstream level, have been demonstrated not to be effective for the transmission of foreign-market and customers’ needs knowledge. With regard to the upstream level, it has resulted in a lack of control on the quality of products and on the alignment with Monnalisa’s guidelines. Knowledge sharing was nonexistent.

Despite the intensive use of network relationships, Monnalisa’s internationalization process traces exactly that prescribed by the Uppsala Model (1977), thus bringing evidence about its appropriateness to explain also the small-medium enterprises internationalization. Indeed, in the more mature phases, the Company has shifted to more direct channels, by establishing its personnel presence in those foreign markets through direct retail stores (totally owned or in partnership) and through offices dedicated to suppliers’ relationship management and planning. The contemporaneous presence of Monnalisa’s personnel and the partner’s personnel makes knowledge sharing easier, especially that in tacit form and helps understand in depth the market peculiarities of each country.

But Monnalisa’s international success does not depend only on external knowledge, but on its existing organizational structure and procedures which are conducive to learning from the outside, this ability being developed especially after the change in governance.
3.8 Limitations of the research

The breadth of our research shows some significant limitations, which suggest prudence in generalizing our findings.

Firstly, the questionnaire results record the perception of the analyzed variables provided by only 15 percent of the total number of employees present in the Monnalisa Group. We cannot be sure that we would have had the same findings if the sample had been larger. The small sample also limited our statistical analysis, which could not include regression analysis, since it would have provided significant evidences.

Furthermore, our empirical case regards a single company operating in the childrenswear sector. Thus, we should take into account that such findings may partially depend on the company-specific and industry-specific characteristics.

Lastly, we have tried to integrate questionnaire and interview findings, but we should consider that some discrepancy exists because questionnaires presented employees’ perspectives, while interviews presented managers’ perspectives. These differ to some extent because of the clearly different orientations and mindsets.
Conclusions

Based on literary contributions and on our empirical research, our work has developed a comprehensive framework of knowledge sharing antecedents and its effects in the specific context of small-medium enterprises.

We have derived important findings by identifying three areas of emphasis: the factors influencing knowledge sharing and innovation; the relationship between knowledge sharing and innovation; and the role of knowledge sharing in the internationalization process.

In the first chapter, we have understood the complicated process of knowledge management by studying the segmentation between tacit and explicit knowledge and by presenting the SECI model theorized by Nonaka and Takeuchi (1995), which prescribes a spiral process of knowledge creation from tacit to explicit and from explicit into tacit. Knowledge management should strive to convert internalized tacit knowledge into explicit in order to share it, but at the same time it should also enable individuals to internalize and render personally meaningful any codified explicit knowledge.

We have conceptualized knowledge management as a framework which uses four dimensions to leverage knowledge, namely information technology systems, processes, people and culture, and we have found that the most important ones are represented by people and culture. We have explained why it is only through knowledge sharing that knowledge becomes a strategic driver for competitive advantage, being the means for organizational and individual learning to happen. The crucial element in knowledge sharing is the degree to which conveyed knowledge is accepted, understood and valued to be useful by the recipient and it is only when this occurs that the recipient will be able to utilize it for his own and the
organization’s advantages. This justifies the predominance of the people dimension in the knowledge management framework.

We have contextualized such topics within the SMEs’ perspective by highlighting their advantages and disadvantages in managing knowledge comparatively to larger companies. Given that in SMEs most organizational memory resides in the owner’s mind and that employees are in close contact with him as well as with each other, they are predominantly endowed with tacit form of knowledge, which is transferred through observations, direct practice and informal conversations. We have found that their lean organizational structure and the entrepreneurial orientation inherent in the owner’s way of doing business are likely to facilitate communication and knowledge propagation comparatively to larger organizations. However, the informal nature of small organizations impedes to organize knowledge practices in a systematic way and their financial resource constraints to invest intensively in them.

We have systematized SMEs’ antecedents of knowledge sharing by analyzing them at the individual, organizational and technological level. At the individual level, we have discussed the crucial role of the owner in driving knowledge sharing stimulus, given that he represents the main repository and storage of strategic knowledge and dynamic capabilities and given its influence in shaping organizational members’ attitudes. We have found that employees with a marked openness to experience tend to be more prone to share knowledge and that intrinsic motivation is the most effective kind of motivation to share knowledge. At the organizational level, we have seen that intangible rewards, coupled with a job design promoting autonomy, are the most proper in encouraging intrinsic motivation to share knowledge. Furthermore, SMEs’ preferred vehicles to share knowledge is by the creation of communities of practice, which are informal aggregations where experiences are shared and trust and reciprocity sentiments may be built. We have outlined the organizational structure characteristics which are conducive to knowledge sharing. It has been
inferred that this results to be fostered by decentralization and a high appreciation for collaboration and communication across functions and along hierarchical levels, which can be facilitated by an intense support of integrating mechanisms. Additionally, participative leadership style and top management support for knowledge sharing play an important role. Then, innovative and community organizational cultures, promoting collaboration, mutual adjustment and organizational learning seem to be the most appropriate for positively influencing knowledge sharing activities. With regard to technological factors, SMEs do not rely much on them, being knowledge sharing people-centered.

In the second chapter, it has been argued that there is a positive relationship between knowledge sharing and innovation, which has been defined as the sharing and the combination of knowledge in order to produce new one and apply it to commercial solutions. In particular, the centrality of people in the learning process leading to innovation has been stressed. If people share their knowledge with others and obtain feedback, amplifications, insights and modifications, then opportunities for innovation become exponential. In particular, researchers have found that firms’ innovation capability mostly depends on tacit knowledge sharing, the predominant form of knowledge present in SMEs. When SMEs’ “learn by doing” the skills to carry out operations and to develop products or services, competitors are prevented from seizing their know-how and replicate their products or services.

The bond between knowledge sharing and innovation has resulted to be even clearer when we have exhibited that the influence of individual factors (i.e. role of the SMEs’ owner, personal characteristics and motivation), organizational factors (i.e. organizational rewards, leadership style, organizational culture and organizational structure) and technology factors on knowledge sharing also lead to superior firm innovation capability.
At the individual level, people are likely to be more innovative when they are intrinsically motivated by enjoyment, satisfaction and curiosity. Furthermore, the owner is responsible for the firm’s learning capacity, so that he should pursue entrepreneurial initiatives which value autonomy, risk-taking, change and innovation. At the organizational level, a participative leadership style is decisive in determining innovative behaviors, by supporting open interaction between superiors and subordinates and by pursuing experimentation and improvisation. Still, a flexible structure characterized by decentralization, employees’ empowerment and a not rigid hierarchy makes knowledge flow and proliferate within each corner of the organization, so that innovation can be pursued. Integrating mechanisms, especially in the form of cross-functional teams, highly facilitate such process, given that collaboration among all departments is a necessary condition for innovative ideas to prosper and their implementation to occur. This is particularly true for SMEs, given the dominant role they attribute to tacit knowledge for successful innovation. However, the willingness to learn, create and share knowledge need to be embedded in the organization’s culture in order to pursue innovation outcomes. The positive relationship between innovative culture and effective knowledge sharing and organizational learning has been verified. Additionally, such organizational culture can only be created if employees are left free to collaborate, explore and experiment.

After having investigated how knowledge sharing influences SMEs’ innovation capabilities, we have explored the role of knowledge sharing in SMEs’ internationalization. Internationalization is no longer just a large firm’s prerogative; rather, it has become a survival condition also for small companies, which have to tackle increasing uncertainty, as they encounter unfamiliar and larger external environments and as they lack reputation abroad and financial resources to intensively control the foreign markets and to tap into opportunities. Hence, going international entails strongly relying on knowledge held by suppliers and clients. We have studied the different kinds of knowledge which
are necessary during the internationalization process. The most delicate is the experiential knowledge, which is particularly difficult to acquire because it requires the firms’ direct experience of operating in foreign markets and cannot be achieved by simple standardized methods. Such experiential knowledge will be more difficult to manage, the more the psychic distance there is between the domestic and the foreign markets.

In order to be able to acquire and assimilate external knowledge, it is necessary to already possess an international knowledge base. In fact, unless the knowledge held by the firm and its counterpart is redundant to some extent, they will be not able to work together and share knowledge. It derives that SMEs are disadvantaged with respect to larger enterprises, since they have a shorter extant international knowledge base. These shortcomings are even worsened by the independence orientation discounted by some SMEs which makes them refuse to count on knowledge contribution coming from outside the organization. These considerations have suggested to us how the organizational culture oriented toward knowledge sharing and innovativeness is crucial also for knowledge development during internationalization.

Next, we have passed to speculating on the role of knowledge in SMEs’ assigned by the most important internationalization theories, that are the Uppsala Model, the Network Approach and the Resource-based Approach to internationalization. According to the Uppsala Model, a firm incrementally increases its commitment of resources as it accumulates experiential knowledge through the establishment chain, which describes a step-by-step internationalization process that starts from exporting and ends up with the direct control of foreign markets through subsidiaries.

The Network Approach, instead, proposes another role of knowledge, which can be accumulated faster by establishing network relationships with the players of the international market environment, thus allowing SMEs to internationalize
faster without following the incremental stages of the Uppsala Model. Such international interactions enable to learn and create new knowledge about counterparts, competitors, customers, cooperation with other firms, product development, marketing, operating procedures, strategies and the like. Here collaboration for properly managing and monitoring international relationships becomes even more crucial and knowledge sharing is the pre-condition for making them fruitful.

Finally, the Resource-based Approach to internationalization follows similar assumptions with respect to the Network Approach, assigning to knowledge shared both at the upstream and downstream level of the supply chain a strategic relevance for reaping competitive advantage.

In the third chapter, we have conducted an empirical research aimed at confirming theories reported in the theoretical part of our work. We regarded this to be particularly useful because of the scarcity of the extant literature which has been occupied with linking SMEs’ internationalization to knowledge sharing process and of analyzing the relationship between innovation and knowledge sharing through the lens of the small-medium enterprises.

The results derived from the questionnaires and the interviews have confirmed the conclusions of the former theories on knowledge sharing discussed in the previous chapters.

Monnalisa’s successful innovation and international performances result to be quite enhanced by its knowledge sharing processes, which are fostered at both intra- and inter-organizational level.

With regard to the intra-organizational level, the most critical knowledge sharing enablers present in the Company are intrinsic motivational factors and a culture oriented toward knowledge sharing. At Monnalisa many peculiarities characterizing small-medium enterprises can be tracked. The owner has been the engine of the Company’s innovative and knowledge sharing-oriented cultures, thanks to its entrepreneurial orientation through which he has always tried to
instill risk-taking and proactive behaviors in the organization. Furthermore, informal communication channels are preferred over formal ones. Valuing personal interaction, technological infrastructures do not support intensively knowledge sharing.

With regard to knowledge sharing at inter-organizational level, it has emerged that Monnalisa integrates both suppliers and clients in its knowledge management processes and that relationships with them are the pre-condition for successful internationalization. On the one hand, end-customers provide information about competitors and feedback on the Company’s performances and, hence, they represent a source of enrichment for both commercial and product development aspects. On the other hand, knowledge sharing between suppliers serves to ensure efficiency and the matching between externalized production activities and internalized logistics activities.

Monnalisa’s experience furnishes a meaningful example of the importance of network relationships for SMEs’ internationalization, but it also warns us that it is very difficult to build really valuable social capital, able to bring knowledge. This warning is worth particularly when entering very psychically distant markets, where indigenous firms have a very different culture and communication becomes really complicate. Despite the intensive use of network relationships, the Company’s internationalization process traces exactly that prescribed by the Uppsala Model, thus bringing evidence about its appropriateness to explain also the small-medium enterprises internationalization. Monnalisa’s international success does not depend only on external knowledge, but on its existing organizational structure and procedures which are conducive to learning from the outside, this ability being developed especially after the change in governance.
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Appendix

Arezzo (AR) 08/05/2013

Interviews at Monnalisa Spa

Interview to Roberto Monci, Manager of Commercial Department

Quali strategie di internazionalizzazione avete adottato?
La nostra internazionalizzazione parte da molto lontano. Addirittura il nostro titolare partiva con il camper per andare a visitare i vari mercati esteri. Ma si parla di molti anni fa.

L’internazionalizzazione è avvenuta, in primo luogo, attraverso le fiere. Le fiere sono state il primo strumento di conoscenza dei mercati. Lo scopo di andare in fiera, al di là di effettuare gli ordini, era quello di conoscere il mercato, di avere dei contatti, che poi si sono avuti e sviluppati successivamente, in particolare trovando degli agenti o dei distributori che hanno permesso di stabilire un accordo duraturo. Quindi, la partecipazione alla fiera non si soffermava soltanto sulla raccolta degli ordini.

Le aziende, fino ad un certo momento, hanno delegato l’agente o il distributore a svolgere il ruolo commerciale per loro conto. Noi già da anni ci siamo accorti che questa non era la strada giusta e abbiamo voluto conoscere i clienti direttamente. Noi visitavamo periodicamente le varie zone per conoscere i clienti direttamente e ci siamo accorti che l’azienda doveva partecipare di più. Le cose si sono evolute, in alcuni casi, fino alla creazione di nostri uffici all’estero. Oggi abbiamo, sia in Russia che in Cina, i nostri uffici diretti con personale dell’azienda, che ha un monitoraggio più stringente e dettagliato, di modo da seguire il mercato in base alle proprie politiche commerciali.
Laddove la vostra presenza nei mercati esteri avviene attraverso canali distributivi indiretti che tipologia di relazioni contrattuali avete con i distributori?

Vorrei premettere che il rapporto con il distributore sta sparendo. Il distributore, purtroppo, non permette quel rapporto diretto con il cliente, soprattutto non permette di avere informazioni fresche e dettagliate sul mercato. Rimangono ancora dei distributori, ma sono molto pochi. Il tipo di contratto stipulato con essi mette l’accento sulla possibilità di avere tutte le informazioni e di stabilire *ex ante* il listino di vendita da utilizzare, le procedure commerciali in correlazione con l’azienda. Piuttosto che avere soltanto qualcuno che vende i tuoi prodotti, cerchiamo di avere nel Paese un nostro braccio per attuare le nostre politiche commerciali in maniera uniforme in tutto il mondo.

*Quanto ritiene sia importante la condivisione di conoscenza nel processo di internazionalizzazione?*

Assolutamente fondamentale. Cerchiamo di attuare la conoscenza, non semplicemente attraverso lo scambio di email, ma con dei questionari specifici su determinate attività, come ad esempio il report di fine campagna vendita; abbiamo costruito una piattaforma di *CRM*, dove vengono trasmessi gli ordini, ma anche preparato una presentazione del cliente che andranno a visitare e ad accogliere nella showroom per poter eseguire l’ordine. Questo si dovrà poi evolvere con tutta una serie di informazioni che dovremo condividere insieme sulla base delle visite effettuate, su una scheda aggiornata dettagliata del cliente. Inoltre, di ritorno, abbiamo creato anche un’altra piattaforma, un nostro portale interno che si è ormai aperto agli agenti e ai distributori, nel quale essi possono trovare tutte le informazioni relative all’azienda. Dall’apertura di un negozio in un altro Paese, alle attività di promozione.

La possibilità di allargare la conoscenza e di instaurare una comunicazione molto più aggiornata e fattiva è fondamentale in questo lavoro.
Come, secondo Lei, la scelta di entrare ed operare nei mercati esteri ha condizionato i processi di gestione e condivisione della conoscenza della Vostra azienda?

L’internazionalizzazione ormai è obbligatoria per ogni azienda, vista la situazione del mercato italiano. Vista anche la situazione di quello europeo, diventa sempre più importante entrare in Paesi nuovi e più lontani. Senza condivisione di conoscenza non si riesce a mantenere i contatti e a sviluppare i rapporti in un certo modo. Anche perché si ha a che fare con fusi orari differenti, il che significa che bisogna essere disponibili a qualsiasi ora. Magari quando l’italiano esce dall’ufficio, intanto apre l’ufficio in America; quando l’italiano arriva in ufficio, l’ufficio in Giappone è in fase di chiusura. Riuscire a dare la possibilità di svolgere il proprio lavoro avendo e condividendo informazioni è ovviamente importante.

Quali sono i principali canali di comunicazione tra l’home country e l’host country?

Nell’arco di un anno avvengono due incontri istituzionali che riguardano la presentazione della nuova collezione. Poi, nell’intermezzo tra le due campagne vendita, vi è un incontro intermedio dove facciamo il punto della situazione sulla campagna vendita chiusa e prepariamo quella nuova.

Un’altra cosa che vorrei sottolineare a proposito dello sviluppo estero riguarda la riorganizzazione dell’azienda sulla base delle esigenze estere. Esportare non è come vendere nel mercato italiano. Ci sono delle regole da seguire, dalle semplici regole doganali, ai tempi di spedizione, fino all’approccio culturale. Esportare prima di tutto vuol dire comprendere la cultura delle persone che sono nell’altro Paese. L’azienda deve avere un’open mind molto larga. Non puoi rimanere con la tua mentalità italiana, devi essere pronto a comprendere
anche altre culture, altri modi di fare business e di interagire con le persone. La conoscenza è anche questo e questa conoscenza va trasmessa anche alle altre funzioni. Anche il dipendente del magazzino, deve capire che a volte le sue attività devono essere modificate sulla base delle caratteristiche del cliente dell’altro Paese.

Altro esempio, adesso stiamo rifacendo completamente le nostre etichette interne per adeguarci a nuove normative. Tutta l’azienda adesso è impegnata a rimodulare le etichette cercando di soddisfare non solo le vecchie esigenze, ma anche le nuove.

La normativa è in continua evoluzione. Da qui l’esigenza di flessibilità.

La vostra produzione è interamente esternalizzata.

Sì, sia in Italia che all’estero. Adesso, in Cina, abbiamo un ufficio che segue la produzione cinese. Prima ci appoggiavamo ad un partner, mentre adesso abbiamo una dipendente in Cina.

Quali sono gli elementi caratterizzanti la Vostra cultura aziendale?

Sto facendo dei corsi di formazione, delle testimonianze in giro per l’Italia e sono andato in alcune aziende importanti, in particolare operanti nel settore della meccanica. Le aziende che in questo momento stanno funzionando bene –grazie anche al fatto che sono andate all’estero- hanno una mentalità aperta, flessibile, dove c’è una grande apertura nell’acquisizione di persone giovani che possono portare idee nuove, nel collaborare con soggetti esterni. Cerchiamo di percepire da tutti un qualcosa. Siamo molto aperti ad acquisire informazioni, a trovare nuove idee, a cercare di scoprire sempre qualcosa di nuovo. All’interno c’è una flessibilità molto alta da parte di tutti.

Una cosa che difficilmente si trova in altre aziende è che ogni dipendente qui fa sua l’azienda. Nello svolgere il lavoro è come se fosse un imprenditore di se stesso, cerca di svolgerlo come se fosse una cosa sua. Questo perché l’azienda ha
dato sempre molta autonomia nello svolgere il proprio compito. Ovviamente per ogni reparto si fa riferimento al relativo responsabile, però c’è una delega abbastanza ampia nello svolgere il proprio lavoro con autonomia, sulla base ovviamente di alcune regole. Con una buona dose di autonomia e possibilità di mettere del proprio.
Credo che questa sia una delle arme più forti che riusciamo a mettere in campo in azienda.

Secondo Lei che tipo di cultura o valori sono tali da facilitare i comportamenti di condivisione della conoscenza?
Credo che le aziende che trovano più difficoltà siano quelle più ingessate, quelle in cui la gerarchia è vista in maniera troppo burocratica. Io ho anche avuto esperienze in altre aziende e, facendo dei paragoni, quando c’è proprio questa cultura della gerarchia, del tenere tutti sotto un certo controllo, credo che non paghi.

Che tipo di Visione hanno i dipendenti sull’opportunità di acquisire e condividere tra loro conoscenze e informazioni?
Io credo che questa sia una delle aziende che fa più corsi di formazione. Si parte dalla ginnastica, si prosegue con i corsi di lingua, corsi di leadership, corsi di lavoro di gruppo, corsi ECDL. Vi sono mille possibilità di migliorare e sviluppare conoscenza, non solo nei limiti della propria attività e del proprio lavoro, ma nella capacità di interagire con le altre persone, di capire meglio come organizzare il proprio lavoro, come organizzare il rapporto con le altre persone, come creare un clima di collaborazione. A questo, naturalmente, si aggiungono le competenze. Ci sono possibilità per tutti.

In che modo vengono prese le decisioni strategiche nella Vostra impresa?
Innanzitutto, c’è un Comitato di Direzione nel quale partecipano la proprietà e la direzione generale. Da lì poi partono gli input per i vari responsabili, i quali a loro volta li condividono con i loro collaboratori. Ma tutto avviene in una maniera abbastanza informale. Non c’è mai un progetto che nasce dall’alto verso il basso. Viene sempre condiviso in maniera molto informale. Noi facciamo delle riunioni anche en passant.

Qui c’è molta informalità. In generale, le decisioni vengono condivise con le persone che devono attuarle, viene chiesto il loro parere e ascoltato il loro feedback.

_Dal questionario è emerso che i rispondenti, oltre a percepire l’esistenza di una cultura molto innovativa, valutano in termini elevati anche la cultura competitiva presente in azienda. Secondo Lei come si spiega?_ 

Io non vedo l’esistenza di uno spirito competitivo. Forse può essere emerso poiché procediamo a ritmi veramente elevati e partono iniziative continuamente. Talvolta tutti noi ci troviamo nell’affanno e nello spaesamento. Questo potrebbe essere.

_In che modo la struttura facilita l’acquisizione e la condivisione di conoscenza? Esistono processi o meccanismi formalizzati a supporto della condivisione di conoscenza? (es: gruppi, job rotation, accordi con clienti/fornitori, selezione di persone con competenze chiave, ecc.)?_ 

Devo dire che nel mio reparto c’è un’ottima collaborazione. Magari talvolta non legata a riunioni formali, settimanali. Cerchiamo di parlarci continuamente. Però è vero che esistono dei reparti che hanno un altro modo di lavorare. 

Ieri, oggetto di un incontro con la direzione generale è stato lo scarso ricorso a riunioni inter-funzionali che permetterebbbero magari di far viaggiare tutti i reparti in un certo modo. Però, anche se tutto è migliorabile, l’azienda va avanti bene e la base è buona.
Quest’azienda a gestione familiare, che adesso sta affrontando un cambio generazionale affidandosi ad un direttore generale e che è passata da 40 a 140 dipendenti, si sta evolvendo in un’azienda più strutturata. Questo passaggio comporta qualche tipo di problema.
Adesso, ha bisogno di tempistiche diverse, i processi sono cambiati e cambieranno.
In questa situazione, si inserisce la figura del facilitatore, un consulente esterno che serve a far meglio comunicare le persone dei vari reparti, così come a far meglio comunicare la direzione con i vari reparti.

**Interview to Valter Fiumicini, Head of ICT Function**

*In cosa consiste per Lei l’innovazione?*

L’azienda è basata totalmente sull’innovazione. È innovativo il prodotto che cerchiamo di fare, è innovazione tutto ciò che cerchiamo di promuovere nel mondo e, sicuramente, seguiamo l’innovazione per ciò che riguarda il potenziamento di alcune capacità e eccellenze aziendali. A tutti i livelli proviamo a studiare tutto ciò che potrebbe semplificare il lavoro nell’azienda ma anche tutto ciò che potrebbe renderci competitivi, cercando anche di smentire e violare i processi interni esistenti.

*Che ruolo ha la conoscenza in questi processi di innovazione?*

Un ruolo diffuso, importante. Normalmente dobbiamo adeguarci alle esigenze di mercato così come a quelle tecniche e alcune attività non si presentano sfruttabili al meglio, al livello che sarebbe necessario.

*In che modo acquisite la conoscenza per innovare?*

Il flusso di idee e di conoscenza è la diffusione di ciò che viene raccolto dai singoli tramite corsi di formazione o attività di ricerca, messe a disposizione dei
collaboratori normalmente mediante riunioni. Non vi sono grosse attività di archiviazione che permetterebbero la diffusione a tutti.

L’acquisizione avviene mediante l’interazione tra le persone, che collaborano o trasferiscono e comunicano determinate novità o possibilità poste in evidenza da studi effettuati.

In che grado, invece, vi avvalete di un’infrastruttura tecnologica per rendere possibile tale diffusione?

Per quanto mi riguarda, visto che normalmente si tratta di piccoli gruppi di lavoro, c’è poco da informatizzare. Normalmente vi è un documento che viene fatto circolare tra i diretti interessati.

Quindi la tecnologia è soltanto di supporto marginale?

Sì, per quanto riguarda la mia area. Vi sono delle aree in cui il supporto è maggiore. Ad esempio, da anni abbiamo lavorato per sviluppare delle piattaforme per distribuire ai diretti interessati e agli stakeholder esterni le informazioni rilevanti sulle attività dell’azienda

Quali sono a Suo avviso gli elementi caratterizzanti la cultura aziendale? C’è una particolare enfasi sull’innovazione o sulla competizione? E tale cultura è abbastanza omogenea tra i diversi dipartimenti?

Gran parte del personale è legato all’azienda, anche da un punto di vista affettivo e questi valori (rispetto, coesione, fedeltà) risiedono in tutte le persone e in tutti i dipendenti. E’ ovvio che tutta questa innovazione, questa diffusione di conoscenza non sempre è diffusa a tutti i livelli e non sempre a tutti i livelli è compresa l’importanza e la necessità di coordinarsi e di lavorare tutti con uno scopo unico. La cultura, appunto, forse non è esageratamente omogenea in tutti i reparti. Probabilmente c’è un qualche scollamento tra alcune aree. E la vedo focalizzata sulle persone chiave, su chi ha responsabilità nei reparti, mentre
magari non è così diffusa tra tutto il personale. Sono i responsabili di area che devono incaricarsi di diffondere al massimo questa cultura per muoversi verso la stessa direzione e capire che abbiamo tutti un obiettivo comune.

Che tipo di cultura e di valori crede possano facilitare la condivisione di conoscenza?
Probabilmente non è la diffusione di strumenti quali portali o qualunque tipo di archivio dove distribuire informazioni. Se non viene instaurata nel singolo la necessità di informarsi, di documentarsi su certe attività o su certe nozioni, l’urgenza non può provenire dall’alto e nessuno può obbligare nessuno. Pur essendo un uomo di informatica, un uomo che ha a che fare con questo tipo di nozioni capisco io per primo che non sempre la distribuzione di informazione, resa disponibile anche attraverso piattaforme quali Internet, il web e strumenti informatici che oggi conoscono tutti, è sufficiente. Bisogna anche instillare nelle persone la curiosità di andare a visionare, a interrogare, a conoscere. Non c’è nessun personaggio aziendale che può obbligare chiunque altro di documentarsi se non stimolando della curiosità.

Tra la gente di Monnalisa c’è uno spirito di collaborazione per scambiare qualche idea innovativa oppure per affrontare un problema?
Sì, questo succede regolarmente. Sulla base di approfondimenti, ricerche, corsi che vengono effettuati, idee che possono saltar fuori. Lo sviluppo di qualunque idea e innovazione ha bisogno di essere seguita da più aree, ha bisogno di un’operatività seguita da più settori ed è necessario il trasferimento di idee tra diverse aree, ma anche per ampliare l’idea iniziale. Nel momento in cui si affronta un’idea dalla quale scaturisce un dialogo tra persone di varie aree o all’interno delle stesse, magari può saltare fuori un’innovazione più potente oppure che può rendere applicabile l’idea stessa.
Come valuta la capacità di cambiamento o adattamento della Vostra struttura organizzativa alla sfide poste dal mercato e dalla competizione?

Anche qui bisogna distinguere sulla base delle varie aree. L’azienda è sicuramente esplosiva. Siamo pronti a cogliere qualunque novità, qualunque attività, qualunque metodologia, qualunque attività operativa, qualunque flusso o processo che possa apportare miglioramenti. Posso anche dire che possiamo essere veramente innovativi e trascinatori. Abbiamo avuto idee esplosive che hanno caratterizzato poi il futuro stesso dell’azienda. Il fatto stesso che l’azienda funzioni, sia solida, è merito di chi ci dirige e delle idee, innovazioni e tutto ciò che hanno prodotto.

A volte, tuttavia, ci si scontra con alcune realtà che riguardano l’inapplicabilità stessa di alcune idee, di alcune innovazioni. Ci sono dei reparti, il mio per primo, che a volte hanno difficoltà di operatività per trasformare l’attività standard, i normali flussi operativi in quelli che potrebbero essere le necessità dovute all’innovazione.

E’ ovvio che trasformare i sistemi informativi, strutture, flussi dati che in qualche modo veicolano l’attività all’interno è abbastanza difficile. Così come è difficile modificare le abitudini delle persone. Molto spesso ci si scontra con una staticità per la quale qualsiasi novità spaventa. Mentre invece queste sono le sfide del momento attuale, bisogna essere pronti a qualunque tipo di cambiamento.

Questa dinamicità delle persone non è ancora piena. E’ più facile avere questo tipo di flessibilità da persone abbastanza giovani e con un certo livello culturale. Però c’è sempre questo attaccamento all’abitudine, alla consuetudine, sono abituato a fare questo, perché mi cambi le carte in tavola. Non sempre c’è questa volontà, questa voglia di trasformarsi.

Quando poi riusciamo a convincere le persone che l’innovazione, che la modifica, che il cambiamento spesso portano dei vantaggi, molto spesso questa cosa viene sposata in pieno. Anzi, qualcuno che all’inizio costituiva un ostacolo al cambiamento poi diventa sponsor per i cambiamenti successivi.
Quanto questa attività di sponsorizzazione da parte dei manager verso il cambiamento registra successo, modificando l’atteggiamento dei dipendenti riluttanti?

Per un buon 80% dei casi riusciamo a spostare, a cambiare l’attività, a migliorare il flusso operativo, facendo sì che l’idea arrivi al dipendente e possa essere resa operativa.
Tutti gli studi, le prove necessarie e le valutazioni eseguiti nella fase iniziale mostrano la fattibilità di un determinato progetto. Se ci rendiamo conto che per il momento è irrealizzabile ci fermiamo prima (di coinvolgere il dipendente), la sospendiamo un attimo.
Quando diventa, invece, fattibile e studiata in tutte le sfumature, normalmente viene accettata dai dipendenti, senza nessun problema. Incontriamo il solito scoglio iniziale, ma poi riusciamo ad arrivare in fondo.

Quale processo decisionale viene adottato in azienda?
Qualsiasi proposta viene sottoposta al vaglio della direzione generale. Ma occorre precisare che normalmente nel momento in cui viene sottoposta all’esame della direzione generale, è già stato effettuato un piccolo studio in cui si considerano i vantaggi e i costi insieme alla cooperazione delle persone che possono essere di aiuto per portare avanti il progetto.
La direzione generale valuta se il progetto è opportuno o meno; se può apportare benefici a qualsiasi livello a lungo termine.
Da lì parte l’effettiva progettualità dell’attività e vengono poi coinvolte le persone responsabili di area che diffondono ai loro dipendenti l’attività definita.

Si accettano proposte anche dal basso della gerarchia?
Sicuramente sì. Il direttore generale una volta ha detto che se ricevesse, a fronte di cento dipendenti, un’idea valida al giorno, avrebbe un’azienda dieci volte più
esplosiva di quello che è in questo momento. Ben vengano idee che vengono dal basso. Siamo talmente pochi e ci conosciamo talmente tanto che chiunque è tenuto a proporre in modo costruttivo qualunque tipo di miglioramento, anche della propria attività.

Può anche capitare che progetti e idee che sembrano essere valide, una volta allargate alla base, analizzate e studiate in modo più approfondito nella loro operatività, vengano abbandonate. L’approccio pragmatico dei dipendenti chiamati ad applicarli ci permette di capire di essere andati magari fuori strada e si rivede tutto da capo.

Non è detto che una cosa decisa dalla direzione generale, poi venga realmente implementata. Non è che chi ci dirige ordini il modo di operare senza ammettere replica; arriviamo in fondo e se ci accorgiamo di errori, riusciamo a rimodulare il tutto o ad abbandonare completamente l’idea.

Secondo Lei vi è una struttura organizzativa piuttosto formalizzata?

Direi di no. È’ una struttura abbastanza orizzontale. Anche se da qualche anno, a causa dell’estensione della dimensione aziendale, stiamo cercando di rendere la struttura più formale e gerarchica, ma non vi sono problemi di trasferimento di conoscenza e di informazioni in modo trasversale, dal basso verso la direzione generale o anche viceversa. Questo a volte costituisce un vantaggio, ma a volte anche uno svantaggio. Il problema riguarda il corretto circolamento delle informazioni.

Come le strategie e il processo di internazionalizzazione hanno impattato sui processi di condivisione della conoscenza?

L’internazionalizzazione è uno dei punti fondamentali dello sviluppo futuro dell’azienda e sono anni che il nostro titolare sta cercando di percorrere questa strada. Questo si ripercuote in tutta l’attività aziendale, poiché vi è una serie di processi, di flussi di conoscenze dovuta al mercato e alla legislazione dei Paesi in
cui operiamo; se non viene trasferito in modo corretto tutto ciò che è necessario per lavorare in certe nazioni, il progetto non funziona. E’ importante che le persone dell’organizzazione coinvolte nei processi di internazionalizzazione siano informate e allineate sulle direttive aziendali.

*Come l’azienda si assicura che le conoscenze acquisite anche nel mercato estero raggiungano ogni angolo dell’azienda? Qual è il canale di comunicazione tra Monnalisa Italia e i Paesi che presenzia?*

C’è il nostro ufficio marketing che diffonde informazioni e che è in continuo contatto con chi di dovere e continuamente in viaggio nel mondo. Non vi sono altri sistemi informatici che possono essere interrogati. Si basa tutto sul contatto diretto, sulla diffusione dell’informazione zona per zona.

Come struttura siamo talmente piccoli che le tre persone che si occupano del settore marketing sono a conoscenza di quello che succede in tutte le nostre aree.

*Il cambiamento della governance avvenuto qualche hanno fa ha comportato cambiamenti nella struttura, cultura e nella condivisione di conoscenza?*

Nella struttura sicuramente sì. Una volta il titolare era l’interlocutore quasi unico di tutte le attività aziendali. C’è stato un grosso lavoro nel momento in cui sono stati trasferiti i poteri all’attuale direttore generale, soprattutto per quanto riguarda il trasferimento delle informazioni ai livelli alti della gerarchia. Agli altri livelli della struttura organizzativa non è cambiato molto poiché le figure apicali sono rimaste le stesse; sono state informate le persone di ciò che avveniva. Noi eravamo contenti, poiché la novità rappresentava una possibilità di crescita dell’azienda. Con il passaggio della gestione a un altro tipo di governance c’è la speranza di un futuro migliore.

La cultura non è cambiata, è rimasta quella che era già insediata nell’azienda, così come non è cambiato il flusso di conoscenza, diretto sempre dai responsabili di area.
Probabilmente sono cambiate le prospettive dell’azienda.

_Che ruolo hanno i clienti e i fornitori nei processi di condivisione della conoscenza?_  
Essendo Monnalisa un’azienda orientata ad una soddisfazione del cliente che non si risolve in quella derivante dal prodotto, ma che riguarda il rapporto stesso instaurato. E’ di fondamentale importanza la raccolta delle informazioni sul posto, giacché ogni area ha delle peculiari problematiche. E’ di peculiare importanza la conoscenza che il cliente può fornire sulla zona.  
Anche con il fornitore dovrebbe esserci un buon rapporto per quanto riguarda lo scambio di conoscenza su ogni tipo di attività. Ad esempio, Monnalisa lavora in aree dove non c’è sfruttamento e perché questo sia assicurato è di fondamentale importanza avere uno scambio di conoscenza con i fornitori stessi.  
Diamo un’importanza particolare ai fornitori che possono portarci un’innovazione a qualunque livello, sia dal punto di vista delle attività dei faconisti, sia dal punto di vista di studio e sviluppo di tessuti nuovi, soluzioni innovative e via via.

_**Interview to Andrea Mattesini, Manager of Marketing Department**_

_Come le strategie di internazionalizzazione hanno influenzato i processi di condivisione della conoscenza?_  
Secondo me, hanno impattato notevolmente. Chiaramente quando si parla di internazionalizzazione, si parla di esperienze vissute al di fuori dell’azienda, quindi l’azienda si confronta con un ambiente diverso. Quando si confronta con un ambiente diverso, è un momento per imparare nuove cose. Questo implica che imparando nuove cose e portando nuova conoscenza all’interno dell’azienda, grazie all’internazionalizzazione, tutto questo si riverbera nei vari processi
aziendali. Per essere concreti, mi addentro nel mio specifico ambito, che è quello della vendita online e del retail.

L’azienda ha deciso di intraprendere una politica di decisioni per l’internazionalizzazione a livello strategico. L’internazionalizzazione, innanzitutto intesa come esportazione, c’è sempre stata, è sempre stata una vocazione dell’azienda. Per strutture non giganti come la nostra, i mercati lontani devono essere raggiunti attraverso tutti i mezzi che l’azienda può approcciare. Sicuramente in questo ambito si è collocato l’e-commerce, ad esempio. Il progetto di e-commerce era nato per istituire un canale che facesse da testa di ponte in mercati che erano lontani e che non erano conosciuti. In questo senso, l’internazionalizzazione ha impattato sui processi di condivisione della conoscenza.

Tramite il web abbiamo potuto acquisire nuove conoscenze, comunicando con i clienti ma anche con i trader e quindi raccogliendo una serie di informazioni che sono state poi veicolate all’interno dell’azienda. In questo senso, c’è stata una condivisione di conoscenza.

La stessa cosa è avvenuta per i punti vendita. Chiaramente, il punto vendita in sé rappresenta un enorme e uno straordinario contenitore di informazione e, quindi, di conoscenza del consumatore finale del Paese di riferimento. Attraverso il punto vendita, ma banalmente attraverso la semplice analisi quantitativa del dato, si riesce ad avere un’idea del modello di consumo di quel determinato Paese.

Tutto questo tipo di patrimonio è stato riportato in azienda e poi condiviso, sia a livello quantitativo, sia a livello qualitativo. A livello qualitativo chiaramente, sono più gli operatori, quindi, nello specifico, gli assistenti alla vendita all’interno del punto vendita, a dare un ritorno di informazione. I punti vendita, all’interno soprattutto di centri commerciali importanti, quali Harrods, i Magazzini La Fayette, La Rinascente di Milano, sono dei veicoli straordinari e portatori di conoscenza. Anche il consumatore de La Rinascente di Milano,
nonostante si trovi in Italia, è un consumatore di tipo internazionale e ogni volta che effettua un acquisto, lascia, per così dire, una parte di sé.

**Quindi i principali canali di comunicazione tra l’home country e le foreign country in cui siete presenti quali sono?**


L’informazione diventa conoscenza nel momento in cui si riesce ad elaborarla al proprio interno e si riesce a portarla dentro in azienda. Non è sempre facile tradurre l’informazione in conoscenza e la conoscenza in processi. Sono tre passaggi estremamente difficili. E diventano ancora più difficili quanti più intermediari vi sono nel mezzo, quanti più intermediari si hanno tra l’informazione e il processo aziendale.

**Quali sono, secondo Lei, i meccanismi organizzativi che facilitano la trasformazione di informazione in conoscenza?**

Sicuramente, il retail diretto e il web sono stati dei canali e dei mezzi per acquisire l’informazione in modo più puro, più limpido, più chiaro. Ad esempio, pensiamo al caso in cui il prodotto Monnalisa viene venduto tramite un agente in un negozio multi-brand. Poter recuperare le informazioni nel negozio e riportarle indietro è sicuramente più difficile rispetto che in una distribuzione più diretta, quindi azienda-negozio. In questo modo, si salta almeno un passaggio e si riesce a interloquire in maniera più diretta con il punto vendita. Se, poi, il punto vendita è un punto vendita che vende esclusivamente il nostro prodotto e di cui magari siamo noi i proprietari, si riescono ad avere più informazioni chiave. Se un consumatore entra in un negozio che porta l’insegna Monnalisa, è sicuramente un consumatore interessato al nostro prodotto e che darà dei feedback.
Il web ha aiutato tantissimo e aiuterà sempre di più. Abbiamo sviluppato i social. Il consumatore finale che risponde ad un post di Facebook ci consegna una risposta senza filtro, senza nessun tipo di interpretazione soggettiva da parte di qualcun altro. Quindi, questo tipo di informazione può essere meglio elaborata e può diventare conoscenza, conoscenza più circoscritta e mirata all’azienda. Quando la conoscenza è modellizzata bene, può trasferirsi poi dentro ai processi. La maggiore difficoltà nel trasformare l’informazione in conoscenza è quando si hanno tanti intermediari. E oggi la tecnologia, anche quando implementata da aziende di dimensioni non enormi come la nostra, dà un grosso aiuto a questo tipo di processo. In più, la distribuzione diretta è un altro grosso veicolo di raccolta di informazioni chiare e limpide.

Secondo Lei, i canali di distribuzione indiretti apportano più benefici, per quanto riguarda il contributo di know-how, innovazione, conoscenza, o più svantaggi, ritornando al discorso dell’informazione meno pura?
Dipende. A volte, la distribuzione tramite il trader non è una scelta, è un obbligo. E’ un obbligo dal punto di vista della dimensione aziendale, in termini di investimenti, poiché avere una distribuzione diretta costa tanto, e ancor più in termini organizzativi. Non tutti hanno la forza per poter intraprendere una strada di retail diretto o anche del franchising. Bisogna possedere un buon brand e un’ottima organizzazione. Gioco-forza, ci si deve appoggiare alla distribuzione indiretta. Comunque, il trader organizzato, riesce a sua volta a carpire informazioni sul mercato, poiché il suo primo interesse è quello di vendere e vendere si traduce nel capire cosa vuole il consumatore finale. E capire cosa vuole il consumatore finale e trasmetterlo all’azienda è di fondamentale importanza per il trader stesso. In questo processo, però, a volte queste organizzazioni non riescono a trasmettere questo tipo di informazioni. Però, sicuramente il trader non è uno svantaggio, è un vantaggio averlo.
Quale ruolo, secondo Lei, ha rivestito l’innovazione nel processo di internazionalizzazione?

Ha rivestito un ruolo fondamentale. L’innovazione, sempre intesa come capacità di trasformare la conoscenza in processi, ha rivestito un ruolo di fondamentale importanza. Ripeto, l’e-commerce, che considero una delle innovazioni più importanti che abbia avuto quest’azienda negli ultimi quattro-cinque anni, ha rivestito un ruolo importante nel processo di internazionalizzazione. Alcuni clienti di Paesi più lontani, entrando nel sito e-commerce, si sono resi conto che tipo di prodotti trattavamo, ci hanno contattati e da lì è nato un rapporto commerciale. Ma non è solo questo, chiaramente.

Innovare significa anche rendere i processi molto più veloci all’interno dell’azienda, i processi logistici, i processi produttivi, i processi creativi. Puoi raggiungere i mercati soltanto se i processi che hai in azienda si sono innovati, sono stati tarati in funzione dell’internazionalizzazione. L’innovazione ha un ruolo fondamentale, a partire dai sistemi informativi più performanti, che riescono in qualche modo a rispondere alle esigenze, ad esempio, di multi-listino –sembra una banalità, ma in realtà non lo è-, fino ai processi che impattano più al livello commerciale.

Secondo Lei, quali sono i valori che caratterizzano la cultura dell’azienda?

Uno è sicuramente l’innovazione, perché noi abbiamo tantissimi progetti aperti. Io stesso sono stato capoprogetto di diversi progetti innovativi, come la vetrina olografica.

Quindi, l’innovazione, poi sicuramente l’aspetto etico. Siamo anche certificati. E secondo me, anche quella è un’altra grossa innovazione. Anche l’aspetto etico, e quindi essere trasparenti nei confronti degli stakeholder, rappresenta un’innovazione che apre anche all’internazionalizzazione. Siamo un’azienda aperta in tutto e per tutto, dalla pubblicazione del bilancio sociale e quindi a livello amministrativo, agli altri comparti aziendali. Non può esistere, secondo
me, un dipartimento che ha subito una forte innovazione e altri dipartimenti che sono rimasti indietro. Se l’innovazione non si facesse sistematicamente, non emergerebbe neanche all’esterno. Quindi, credo che anche la parte etica, sulla quale abbiamo puntato tanto e stiamo puntando, è un altro valore aziendale; e si riverbera anche sull’innovazione.
Poi sicuramente l’aspetto di creatività e questa -penso sia abbastanza scontato- è collegata all’innovazione.
I valori più importanti penso siano questi: innovazione, etica e creatività.

*Come crede che la condivisione di conoscenza abbia influito sull’innovazione?*
La condivisione di conoscenza, senza quindi parlare di internazionalizzazione, quindi mettendola in funzione dell’innovazione, ha contribuito tantissimo anche in un ambito localizzato.
Noi fino a cinque-sei anni fa, abbiamo avuto una vocazione per un tipo di distribuzione *wholesale*. Quindi, l’azienda produceva e vendeva ai trader; il trader a sua volta vendeva al consumatore finale. In seguito, invece, l’azienda ha iniziato a portare dentro una cultura del retail, una cultura della vendita online, che non è rimasta circoscritta all’ambito dell’ufficio commerciale dove all’inizio era collocata. In qualche modo, si è propagata in tutti i reparti.
Ad esempio, se Lei deve pianificare la spedizione ad un punto diretto monomarca, non è la stessa cosa di pianificare la spedizione ad un punto vendita multimarca. Il multimarca fa l’ordine e il reparto spedizione spedisce. Quando invece Lei deve spedirlo a un monomarca, che si gioca tutta la sua vendita su un unico brand e dunque su un unico fornitore, bisogna essere in grado di fare degli immessi programmati, ragionati. Questo significa andare a coinvolgere altre parti, che sono in questo caso specifico la logistica, ad esempio.
Questo tipo di cambiamento è stato condiviso con la logistica, che fino a qualche anno fa, non aveva idea di cosa volesse dire interfacciarsi con il retail diretto, e in
qualche modo i processi di condivisione della conoscenza sono stati ripensati per questo nuovo canale.
Ancora più eclatante è l’esempio della vendita online. La vendita online implica una parcellizzazione delle spedizioni. Al trader, banalizzando, si vendono cento pezzi in una scatola. Nella vendita online, si devono vendere cento scatole da un pezzo. Questo significa che tutti i processi logistici si sono in qualche modo ritarati.
La stessa cosa vale per l’amministrazione. Un conto è comunicare al trader, un conto è comunicare al consumatore finale. Sono due cose differenti.

Come valuta la capacità di adattamento/cambiamento della Vostra organizzazione alle sfide poste dal mercato e dalla competizione?
La valuto buona. Io l’ho vissuta in prima persona questa cosa. Le riporto ancora l’esempio della vendita online. Quando abbiamo cominciato, le realtà che facevano questo tipo di vendita erano poche e, inoltre, l’adozione dell’e-commerce non si poteva tradurre in un’esplosione delle vendite. Quindi, per qualche mese il processo di implementazione di questo nuovo canale è stato stressato, ma non cambiato, perché esisteva un buffer da utilizzare per mandare avanti il progetto. Ad un certo momento, il progetto è esploso, le vendite sono cresciute di parecchio e a quel punto il processo doveva essere ripensato e ristrutturato. Devo dire che c’è stata una grossa capacità di adattamento in questo senso. I processi logistici, amministrativi, comunicativi sono stati facilmente ripensati e sono state investite anche nuove risorse.
Però, a livello aziendale, c’è stata una rimodulazione in parte indolore, nel senso che non sono avvenuti sconvolgimenti enormi, proprio perché la gente è abituata a riadattarsi alle esigenze del mercato.

In che modo vengono prese le decisioni strategiche?
C’è il Consiglio di Amministrazione, che elabora la strategia. Questa strategia viene ricalcata in un piano marketing, che è anche uno strumento operativo, poiché al suo interno ha un documento dove vi sono tabelle numeri per ogni area. Questo piano marketing, pianificato a livello di Consiglio di Amministrazione, viene poi condiviso con i vari responsabili di area. In questa condivisione, vengono presentati quali sono gli obiettivi strategici aziendali, però contemporaneamente il responsabile di area è chiamato a dare soluzioni rispetto a quello che è stato deciso insieme al direttore generale.

Quindi, il primo passaggio è la definizione del piano strategico aziendale. Il secondo passaggio, più operativo, è l’implementazione del piano aziendale nel piano marketing, il cui orizzonte temporale è medio (due-tre anni). Il piano marketing è un piano operativo perché al suo interno ha dei numeri, degli obiettivi e perché, nonostante abbia un orizzonte temporale di due-tre anni, viene rivisto annualmente per capire a che punto si è nel perseguimento degli obiettivi che ci si era prefissati. Inoltre, sempre nell’ottica della capacità di adattamento - qualora l’ambiente lo richieda-, viene rivisto per inserire ulteriori obiettivi o ulteriori passaggi da compiere per raggiungerli.

**Quanto è diffuso il potere decisionale tra i vari livelli della gerarchia?**

E’ diffuso molto. C’è una grossa diffusione dell’obiettivo che ci si pone a livello strategico. Questo, appunto, a causa dell’importanza della condivisione della conoscenza in un’ottica anche operativa, per portare a compimento gli obiettivi.

Il primo livello è il Cda, il secondo livello corrisponde alla linea intermedia dell’organigramma e il secondo livello è quello più operativo. Quindi vi sono tre passaggi di condivisione.

**Questo processo decisionale ha subito modifiche in seguito al cambiamento della governance oppure vi è sempre stata questa diffusione del potere decisionale?**
La delega c’è sempre stata, c’è sempre stata una forma mentis che tendeva alla delega. Il cambiamento c’è stato perché, a differenza di prima, quando le decisioni venivano prese in un ambito più informale, adesso esistono un consiglio di amministrazione e un comitato di direzione dove, invece, c’è una definizione più scientifica degli obiettivi. Quindi, c’è sempre la delega di prima, ma una condivisione maggiore dell’obiettivo iniziale. Magari prima il proprietario definiva l’obiettivo generale e le varie funzioni dovevano poi adattarsi, oggi invece c’è una condivisione degli obiettivi prima a livello generale e poi nei vari dipartimenti.

_Questa formalizzazione della condivisione di conoscenza è stata quindi benefica?_ 
Certo. Ad esempio, il piano marketing, prima del 2009, era molto meno formalizzato, poi si è affinato sempre più e sta diventando sempre più operativo. Questo è un modo per condividere gli obiettivi e le informazioni e prima non esisteva assolutamente.

_Quali sono i principali meccanismi formali a supporto della condivisione della conoscenza?_
I progetti in team.
La nostra azienda è molto progettual, ha una capacità di adattamento molto forte –come dicevo prima- e, quindi, tende sempre a innovarsi, a trovare nuove soluzioni e nuove idee. Quando si iniziano nuovi progetti, a volte succede che vi siano delle conseguenze che neanche tu ti aspettavi quando li avevi pianificati. Questo causa una produzione di conoscenza e di innovazione dal basso che poi si espande fino ad arrivare a livello più alto. Una volta che si è sedimentata questa nuova conoscenza, per mezzo dei progetti, vengono riproposti nuovi obiettivi prima livello generale e poi a livello operativo. Si crea, così, un circolo virtuoso.
Vi sono anche policy delle Risorse Umane a supporto della condivisione della conoscenza?

E’ favorita la job rotation, sono favoriti soprattutto spostamenti di tipo orizzontale tra una funzione e l’altra. Ho diversi colleghi che a un certo momento hanno richiesto di cambiare: sono passati dall’amministrazione alla logistica, dalla logistica all’amministrazione. C’è un incentivo molto forte a cambiare posizione lavorativa. Io da questo punto di vista sono stato molto fortunato, perché quando sono arrivato l’area che adesso presiedo non esisteva e in più ho avuto la fortuna di seguire progetti al di fuori del mio ambito. Questo è capitato a me, ma anche ad altri. Questo mi ha permesso innanzitutto di conoscere l’azienda a 360 gradi e in più mi ha permesso di acquisire più consapevolezza dell’impatto che ha il mio lavoro nelle altre funzioni aziendali e nei processi. L’azienda favorisce molto questo.

Poi vi è anche un sistema di incentivi per gli obiettivi che vengono raggiunti. A volte si tratta di obiettivi di progetto. Ad esempio, per due anni, l’obiettivo del progetto che seguivo era quello di portare a termine dei processi di digitalizzazione. Non erano obiettivi quantitativi, come ad esempio raggiungere per la propria area un certo fatturato.

Da parte dell’azienda c’è un grosso stimolo e una grossa sensibilità per questi aspetti.

**Interview to Christian Simoni, Chief Executive Officer**

*Nel 2011, vi è stato il cambiamento della governance aziendale in Monnalisa ed è subentrato Lei.*

In realtà io sono entrato a giugno del 2009. Ho fatto tre-quattro mesi di affiancamento al presidente Iacomoni, che era anche amministratore unico, ma da subito avevo deleghe piene. L’unica cosa che è cambiata nel 2011 è che
Iacomoni si era predetto come scadenza un giorno simbolico, l’11 gennaio 2011, in cui ha ufficializzato la cosa, ma nella pratica andava avanti da un anno e mezzo.

Che impatto ha avuto questo cambiamento di governance sulla struttura organizzativa e sulla condivisione della conoscenza?

Chiaramente, dal punto di vista della struttura, siamo passati da una situazione in cui vi era un amministratore unico ad una in cui c’è un Consiglio di Amministrazione che è presieduto da Iacomoni e costituito poi dal commercialista della famiglia, i figli e la moglie. Poi, io, pur formalmente non facendo parte del Cda, sono amministratore delegato.

Siamo passati da un modello di accentramento forte in un’unica persona di tutte le decisioni più importanti ad una situazione in cui c’è un soggetto esterno alla proprietà che sono io; c’è il commercialista –chiaramente senza deleghe- che ha una funzione più di garanzia che di supporto tecnico per quanto riguarda la parte di amministrazione e controllo.

Come Le ho detto, io ho delega piena su tutto e questo non è banale. Quando decide il capofamiglia c’è un’accettazione totale perché si parte dal principio che chi la guida e chi l’ha guidata per quarant’anni ha come suo obiettivo principale quello di garantire la continuità dell’azienda, di fare sempre il meglio per l’azienda. Quando subentra un soggetto esterno, che ti piaccia o meno, non si può partire dallo stesso presupposto. C’è tutto un meccanismo di controllo, un filtro che prima non era sentito.

Si sono stabiliti dei meccanismi di condivisione delle decisioni che prima non erano necessarie, anche se non è detto che sia meglio. Ad esempio, determina maggiore lentezza nel processo decisionale o, meglio, la determinerebbe, perché sulle cose in cui è necessario mantenere rapidità di fatto in questi anni mi sono avvalso di un’autonomia decisionale molto elevata. Nel dinamismo dell’azienda, a volte è necessario.
Però, per tante altre cose, vi è un’ampia necessità di un meccanismo di condivisione di decisioni, che può migliorarle. Ad esempio, vi sono persone che possono apportare le loro competenze, la loro prospettiva. Diventa un momento anche di arricchimento.

In un’azienda come questa che opera in un settore dove le dinamiche competitive sono molto accelerate, non puoi tenere il freno pigiato. Soprattutto negli ultimi cinque anni, ci troviamo in una situazione competitiva in cui si deve crescere velocemente, ci si deve sviluppare. Prima, invece, per cultura e per tutta una serie di motivazioni, non si vedeva neanche il bisogno di crescere. Mi ricordo che, in una delle prime discussioni del Consiglio di Amministrazione, non si comprendeva il motivo di crescere internazionalizzandosi. Era vista come una fissazione mia e del Presidente. In realtà, col senno di poi, per fortuna aver operato in questa direzione.

Quando sono arrivato (nel 2009), l’azienda faceva il 22-23% di fatturato all’estero, ora la proporzione tra fatturato domestico e estero si è invertita. Se non si fosse fatto così, si sarebbe in una situazione disastrosa.

Però, non è stato facile. Siam passati da una situazione caratterizzata da forte accentramento, forte imprenditorialità e fluidità della gestione, perché accentrata in un’unica persona, ad una situazione in cui c’è un coinvolgimento di una platea più ampia di soggetti con dimensioni strategiche e con una dimensione imprenditoriale. Un conto è essere liberi di agire imprenditorialmente, un conto è agire imprenditorialmente e scontrarsi ogni volta con chi non vuole cambiare. Agire imprenditorialmente significa cambiare e cambiare tanto ed è ovvio registrare fallimenti. Ma considero molto più rischioso restare fermi.

L’altro cambiamento grosso è stato la crescita di ruoli chiave all’interno dell’azienda, e quindi, la diffusione della managerialità, l’allargamento del processo di delega. Si sono identificate varie persone delle varie aree divisionali a cui gradualmente si è affidata responsabilità crescente.
Oltre al Consiglio di Amministrazione, un altro cambiamento importante è stato l’introduzione di un Comitato di Direzione, dove vi siamo io e vari responsabili funzionali. Il Comitato di Direzione si riunisce ogni settimana ed è un momento di condivisione della conoscenza e delle decisioni tra i vari soggetti che rivestono un ruolo operativo importante. E’ un momento fondamentale di coordinamento, di presentazione delle decisioni prese nel Cda. Anche questo è stato un passaggio importante. Siamo passati da una situazione in cui c’era una forte concentrazione dell’attenzione sulla singola area funzionale da parte dei responsabili a una situazione in cui viene condivisa conoscenza tra tutte le funzioni e quindi dell’azienda nella sua totalità.
Questi sono stati, secondo me, i cambiamenti più importanti.

*Come valuta la capacità di cambiamento/adattamento della Vostra struttura organizzativa in relazione ai cambiamenti richiesti dal contesto e dalla competizione?*

L’azienda si è dovuta creare un po’ più di apertura e flessibilità. Ho introdotto sistemi di project management e tecniche di project management, per cui è stata fatta formazione. Si è avviata in azienda una serie di progetti di cambiamenti. In azienda, in qualsiasi momento in cui tu la guardassi negli ultimi tre anni, c’erano mediamente tra i trenta e i quaranta progetti di cambiamento in corso, dove progetti di cambiamento vuol dire progetti dove c’è un responsabile di progetto, una serie di persone coinvolte, una serie di obiettivi; c’è un budget. Questo vuol dire che è stata creata una grande tensione al cambiamento, vuol dire flessibilità. E’ stato un modo per forzare un adattamento dell’azienda richiesto dal mercato. C’era bisogno di una svolta su tanti aspetti.
C’è stata una fortissima tensione al cambiamento e all’innovazione e c’è ancora, ma i primi due anni è stata davvero forte. E ha causato sicuramente delle ripercussioni. Ci sono state delle resistenze al cambiamento.
Si sono creati dei gruppi di lavoro che prima non ce’ erano, quindi ce’ è molta più abitudine nel lavorare in squadra, ce’ è molto più dialogo tra le funzioni. Proprio ieri ho avuto un incontro con i responsabili di funzione di secondo livello, con i quali si è formulata una lista di gruppi di lavoro che si dovranno affrontare secondo un calendario programmato. Ci siamo dati un metodo di lavoro più di team. Rispetto a prima, è cambiato tantissimo.

E’ cambiato anche il sistema premiante, che è diventato abbastanza innovativo. Sto cercando di far ricorso alle best practice a livello internazionale. Siamo passati da una situazione in cui ogni dipendente riceveva in busta paga un bonus di un certo ammontare quando l’azienda raggiungeva un certo livello di performance aziendale, legato ad esempio alla redditività, ad una situazione in cui ce’ è un bonus composto da diversi fattori, tra cui ce’ è una parte legata ad un sistema di obiettivi di gruppo inter-funzionali –tranne che per i direttori-. Sembra facile a dirsi, ma non lo è a farsi. Fissare un obiettivo al cui risultato concorrono più uffici comporta che se il risultato non viene raggiunto, gli uffici tendono ad incolparsi vicendevolmente.

Comunque, anche il sistema premiante va nella direzione di ridurre la competizione e la conflittualità tra le parti. Poi da li a riuscirci, con alle spalle quarant’anni di storia aziendale, non è facile, però avere obiettivi inter-funzionali vuol dire parlarsi, cercare di individuare le cause. Di sicuro, si sta procedendo nella direzione di aumentare il livello di collettività e di integrazione.

*Che tipo di visione hanno i dipendenti a proposito dell’innovazione e di condivisione della conoscenza*?

E’ difficile generalizzare. In azienda ho persone che sono fortemente orientate al cambiamento e persone che sono fortemente avverse. Dipende un po’ da inclinazioni personali, dai superiori che hanno avuto sinora e poi dal tipo di ruolo. Ad esempio, abbiamo introdotto un ruolo di staff che prima non esisteva: il responsabile progetti speciali. In azienda vi è una serie di progetti
particolarmente importanti di cambiamento di sistemi informativi, processi organizzativi e area operation fondamentalmente. E’ chiaro che questo soggetto ricopre un ruolo per cui l’innovazione è richiesta e l’ho scelto perché questa persona è orientata all’innovazione quasi più di me. Oppure nell’area commerciale, è chiaro che siano fortemente orientati all’innovazione e ai cambiamenti del mercato; è il loro lavoro. Mentre ci sono persone, magari che lavorano nel magazzino, che vogliono lavorare in maniera efficiente nella massima staticità possibile. Nel momento in cui vado a cambiare la modalità del loro lavoro creo loro dei problemi oggettivi, perché nel breve periodo hanno un impatto sull’efficienza.

Cambia molto in base al ruolo, cambia per inclinazione personale, cambia sulla base anche del responsabile di reparto che dirige la funzione. Se un responsabile di reparto scoraggia l’innovazione, è difficile adattarsi ad una situazione in cui arriva un direttore nuovo e vuole cambiare ogni cosa.

Quali strategie di internazionalizzazione avete adottato? Quindi, come siete presenti nei mercati esteri? Perché avete adottato quelle modalità?

Storicamente, l’internazionalizzazione è iniziata con il presidente e un’altra persona che giravano col camper per le fiere. Oggi si fa in maniera un po’ più strutturata. Però l’atteggiamento è quello: l’azienda ha sempre guardato ai mercati di sbocco con continuità.

Negli ultimi anni, io ho spinto moltissimo per aumentare il livello di export. E’ aumentato molto il livello di coinvolgimento dell’azienda nei mercati esteri. Siamo passati da una situazione in cui andava bene vendere, punto, ad una situazione in cui abbiamo anche sussidiarie. Quando sono arrivato, l’azienda vendeva in Russia attraverso un dealer che a me non piaceva, poiché il rischio veniva accentrato in un unico soggetto, vedeva opportunità maggiori rispetto a quelle che venivano sfruttate, ma soprattutto perché non conoscevamo i nostri clienti. Emblematico è stato constatare che il responsabile commerciale di allora
non era neanche a conoscenza del numero preciso di negozi che vendevano capi Monnalisa in Russia. Non si sapeva com’erano fatte le vetrine, non si sapeva la mappatura. C’era anche una cultura per cui sembrava impossibile lavorare se non attraverso il distributore. Io non credevo a questo, per cui decisi di chiudere il rapporto con questo distributore con il quale lavoravamo da una ventina d’anni. Abbiamo inserito una ragazza bielorussa -che parla benissimo l’italiano- e l’abbiamo inserita nell’area customer care per il mercato russo, abbiamo aperto uno showroom insieme ad altre aziende toscane a Mosca, ho assunto una ex-dipendente del nostro distributore. Siamo passati in quattro-cinque stagioni da 15 mila capi a 97 mila capi venduti; abbiamo sette punti vendita monomarca in Russia e non ne avevamo nessuno. Conosciamo finalmente i nostri clienti. Abbiamo cambiato completamente il portafoglio clienti. I clienti adesso hanno un rapporto con l’azienda.

Chiaramente non sono cambiamenti facili. Tutti erano contrari in azienda. L’unico che mi ha supportato è stato Iacomoni.

Poiché questo approccio di internazionalizzazione ha funzionato, abbiamo cominciato ad applicarlo anche in altri mercati esteri. Piano a piano stiamo sostituendo una distribuzione diretta ad una distribuzione indiretta, rimuovendo agenti e distributori in giro per il mondo. Stiamo entrando con investimenti diretti in Paesi nuovi. In Cina stiamo ricorrendo a collaboratori cinesi che possano lavorare con noi.

L’altro cambiamento importantissimo nell’approccio all’internazionalizzazione è stato il seguente. In azienda era stata utilizzata moltissimo la licenza. Si concedeva in uso il marchio per la produzione e la successiva distribuzione dei prodotti. Per esempio, in Cina, abbiamo stipulato con una società -nella quale abbiamo anche investito del capitale- un accordo secondo il quale il licenziatario aveva il diritto di selezionare una parte del nostro campionario, rifarlo in Cina il più possibile aderente al nostro e venderlo prevalentemente in negozi monomarca
in Cina. Ad un certo punto, vi erano 130 punti vendita monomarca Monnalisa in quel Paese. Oltre che in Cina, questa strategia era stata utilizzata anche per l’Egitto, il Cile, l’India, Taiwan...etc. L’obiettivo dell’imprenditore era incrementare le licenze. Era vista come l’unica alternativa possibile per l’ingresso in questi mercati. Di fatto, oggi è rimasta un’unica licenza in concessione, in Brasile, poiché si era perso il controllo dell’immagine del marchio. Per esempio, in Cina, si era arrivati in una situazione in cui i negozi non avevano l’immagine adeguata, il prodotto aveva subito pesanti modifiche, la qualità era differente, il prezzo era più basso rispetto a quello applicato in Europa. È chiaro che nel momento in cui la Cina diventa il primo mercato al mondo per la vendita di prodotti moda, non ci si può permettere di avere due immagini del proprio brand così diverse.

Con i licenziatari non c’era condivisione di conoscenza. I modelli interpretativi della realtà erano completamente diversi. Al nostro licenziatario cinese, con il quale ora siamo in causa, vendere il prodotto Monnalisa a prezzi ancora più bassi di quelli cinesi sembrava la situazione migliore. Io ho una visione opposta. Innanzitutto, devo difendere l’identità del marchio.

Noi abbiamo tre risorse: il marchio, le persone e i clienti. Senza il brand, non si hanno i clienti, senza i clienti non vi sono le persone. Non posso consentire di avere situazioni nel mondo dove questa risorsa viene compromessa.

Oltre a ciò, io credevo che in Asia si potesse vendere e, infatti, è stato dimostrato che per Monnalisa c’è un fortissimo interesse, un grandissimo potenziale.

In Brasile, è rimasta la strategia di licensing per una convenienza di costi, a causa di dazi molto alti. Ciò che esce dall’Italia a 100, in Brasile arriva a 240, pur avendo un markup sulla parte retail un po’ più ridotto e pur lasciando poco ad un eventuale distributore.

Il primo ad opporsi ad abbandonare la strategia del licensing è stato l’imprenditore, per cui era la cosa più bella che si potesse fare. In realtà, in un
certo momento del ciclo di vita dell’impresa, in un certo momento storico per determinati mercati è stata un’intuizione veramente intelligente; poi, il mondo evolve e bisogna rendersi capaci di cambiare il modo in cui si approccia alle cose.

*Come mai la vostra modalità di ingresso nei mercati esteri prevalente è l’esportazione?*

E’ la più facile, quella in cui si può avere più flessibilità, per la quale sono necessari investimenti minori.

*E la considera da preferire anche per le conoscenze che si riescono ad acquisire nel mercato estero?*

Noi vendiamo il prodotto moda. Non vendiamo prodotti di grande complessità. Noi vendiamo a mamme, nonne che vogliono vedere le proprie bambine indossare qualcosa di carino. Non è che sia necessario per noi avere conoscenze molto complesse riguardo ai clienti. Poi, la globalizzazione ha portato ad una omogeneizzazione delle preferenze del consumatore.

Noi conduciamo una ricerca sul campo recandoci lì fisicamente. Il presidente è tornato ieri dal Cile, parte domani per il Canada e la settimana prossima andrà in Cina. Io sono tornato la settimana scorsa da Dubai e la prossima settimana sarò in Cina. Il nostro responsabile dello sviluppo estero è tornato l’altro ieri dal Kazakhstan, un altro andrà in Serbia tra qualche giorno e la settimana prossima si recherà a Singapore. Le ho fatto una sintesi soltanto delle ultime tre-quattro settimane.

La conoscenza dei mercati avviene così, in modo molto pragmatico.

L’altro aspetto molto importante è l’internazionalizzazione a monte. Il 60 percento dei capi continua ad essere prodotto in Italia, mentre il 40 percento viene affidato all’estero, in prevalenza in Cina. Fino a tempi recenti compravamo
i prodotti finiti da una società di Hong Kong. Ci limitavamo ad ordinare il prodotto eseguito secondo la nostra progettazione ma totalmente realizzato come prodotto commercializzato da produttori cinesi, che noi compravamo tramite un trader. Non avevamo neanche un contatto diretto con il fornitore.

Negli ultimi sei mesi si stanno facendo investimenti più diretti, con persone nostre, per avere un controllo molto più diretto. Intendo dire, stiamo cominciando a stabilire dei nostri uffici in loco per la gestione dei fornitori e la programmazione della produzione.

Fino ad un paio di anni fa non esisteva la necessità di accorciare la filiera, perché c’erano margini ampi. C’è stato un momento storico –la seconda parte del 2010- in cui è avvenuta nel mondo una grande speculazione sulle materie prime e, in particolare, sul cotone. Quello è stato il momento di passaggio da una situazione in cui produrre in Cina era alla portata di tutti ad una situazione in cui anche lì il costo del lavoro è aumentato. La Cina ha dei tempi di evoluzione pari a mille volte superiori a quelli del mondo occidentale. Tre anni fa un dipendente costava 100 euro, oggi a ridosso di una grande città quanto Shangai costa quasi quanto un dipendente italiano. Non c’è più la possibilità di lasciare margini lungo la filiera. Va riconquistato il margine fino all’ultimo centesimo.

Avere persone proprie vuol dire acquisire un patrimonio di conoscenze, vuol dire rappresentare l’azienda.

Il nostro obiettivo è replicare la struttura della nostra azienda nei mercati esteri più importanti. Vuol dire recuperare margini, sviluppare competenze interne che ci consentano maggiore autonomia.

*Che ruolo hanno i clienti e i fornitori o altri soggetti esterni (e.g. centri di ricerca, università, etc.) nei processi di acquisizione di conoscenza?*

I clienti sono una fonte di conoscenza fondamentale, dai feedback che forniscono sulle nostre prestazioni in termini di qualità del prodotto, di *customer care*, alle
informazioni sulla concorrenza. Sono una fonte di arricchimento sulla parte commerciale e sulla parte di sviluppo prodotto.

Riguardo ai fornitori, alcuni costituiscono una fonte di apprendimento importante per l’innovazione di prodotto. Con questi abbiamo un rapporto molto stretto e fidelizzato proprio perché danno un contributo, molto spesso per vie informali. Il piccolo laboratorio che si inventa un fiore nuovo, bruciato, è un soggetto che porta conoscenza nuova.

Poi c’è una grande platea di fornitori che invece non costituiscono dei generatori di conoscenza per l’azienda.

Attraverso quali canali comunicate e scambiate conoscenza con tali soggetti?

*Face to face*, altrimenti telefono, Skype, mail. Inoltre, abbiamo un portale esterno sul quale si sta lavorando da due anni e mezzo, prima sviluppato per i soggetti interni e che adesso si sta aprendo a diversi soggetti esterni. Non si sostituisce alle relazioni personali, ma può codificare e rendere più efficiente il passaggio di informazioni. Tuttavia, nonostante sia tecnologicamente più avanzata, è più statica rispetto alle interazioni personali.