

An Research Framework of Tacit Knowledge Transfer and Educational Practice in Global Hotel Chains

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ABSTRACT

The main part of this study aims to derive some hypothesis, and particularly to extract some variables that positively or negatively influence promoting the transfer of tacit knowledge in global hotel chains. This research also surveyed the practical method to promote the transfer of tacit knowledge initiatives using JAL hotel chains as a case study. Firstly, we surveyed previous studies related to business administration, especially hotel management, and developed a research analysis framework related to recipient of knowledge. Secondly, we investigated cases where the tacit knowledge for service is formalized to be transferred globally in hotel operations. Global hotel chains need to develop the management philosophy and code of conduct and transfer them in ways acceptable to local service staff. In this context, multinational staff members announce at international conferences that actions based on a common business philosophy lead to significant

performances. This study aims to further modify and examine the hypothesis of previous our researches (Murase, 2017; 2020). The challenges for future studies are to refine the five hypotheses and to verify the consistency between our research framework and case study.

Keywords: Tacit Knowledge Transfer, Absorptive Capacity, Strength/Weak Tie, Competence-Based Trust

INTRODUCTION

It's vital for hotel industries to create knowledge and share information in the global strategy. Utilizing expertise and knowledge in the organization is to create new value and innovation and enhance individual performance. Ultimately, the effectiveness and efficiency of the organization could be achieved (Argote,1999 ; Grant,1996). The first issue of knowledge management in business administration was the SECL model proposed by Nonaka. Nonaka and Takeuchi (1995) categorized knowledge into tacit knowledge and explicit knowledge, both of which are reciprocal and complementary. Eventually, the knowledge creation process is shown in figure1. There are four main factors in the SECI model. These are (1) socialization, (2) externalization, (3) combination and (4) internalization (Nonaka et al, 2000).

Socialization is the process of transferring knowledge from existing tacit knowledge to new tacit knowledge. In the hotel industry, socialization is to share the experience of specialized services with new employees. Externalization is the transfer of knowledge from tacit to explicit knowledge. The process is to transform individual knowledge into social knowledge that can be shared with the organization. Combination is the process of transferring knowledge from existing explicit knowledge to new

explicit knowledge; for example, standardized services are changed to meet specific customer needs.

Internalization is the opposite of externalization, a process that transforms explicit knowledge into tacit knowledge. In the hotel industry, services that meet personal needs are important, and all services cannot be customized. Therefore, tacit knowledge transfer is important for service staff.

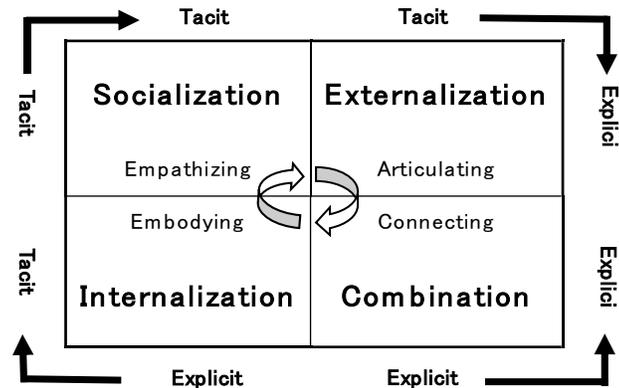


Figure1. The SECI model (Nonaka & Takeuchi, 1995)

Knowledge transfer in the hotel industry has not received much attention in the scientific literature (Hallin & Marnburg, 2008; Shaw & Williams, 2009). In recent years, there has been growing interest in knowledge transfer and its implications in the hotel industry (Hu, Horng & Sun, 2009; Kim & Hance, 2010). However, some studies focus on knowledge transfer in the domestic market. Here, a conceptual model of knowledge transfer in international hotel joint ventures is proposed (Magnini, 2008). However, this model has not been conducted with an empirical approach. Other

studies focus on global knowledge sharing in specific countries (Cerviño & Bonache, 2005; Yang, 2007)

The Hotel industry provides intangible services to customers, and tacit knowledge transfer is an important management issue (Cooper, 2006). International hotel firms have reorganized the significance of knowledge-based resources in organizational competitiveness in global expansions (Ramón Rodríguez, 2002). The study focuses on tacit knowledge in the service sector and locates factors promoting it. Early research identified the factors involved in promoting knowledge transfer.

THE RESEARCH FRAME WORK ON PROMOTING THE TRANSFER OF KNOWLEDGE IN GLOBAL HOTEL CHAINS

This study especially focuses on the recipient as a service operation. There are two main reasons. Firstly, service staff behavior affects their customer satisfaction through communication directly. For promoting knowledge transfer to local chains, it is vital to develop staff's ability and increasing motivation. Secondly, The main knowledge of hotel industry is intangible service that affects promoting tacit knowledge transfer. It is specific factors that is different from other industries. Information received by the recipient of knowledge transfer, i.e., the service staff, helps in offering intangible service to customers in the hotel industry. Generally, as shown in figure 1, the factors that is positively influenced to promote tacit knowledge transfer is related the personnel system.

To elucidate the mechanism of absorptive capacity, Minbaeva et al. (2003) conceptualized recipient capacity as employee abilities and motivation. They empirically clarified the relationship between recipient capacity and the personnel system, i.e., training, competence or performance appraisal, merit-based promotion,

performance-based compensation, and internal communication from an HRM point of view.

Therefore, the personnel system, excluding the merit-based promotion, showed a positive correlation in employee ability or employee motivation. Murase (2017,2020) presented hypotheses to develop a knowledge transfer model for service employees. In this study, we added and modified the model considering the specialty of the hotel industry.

THEORETICAL MODEL AND RESEARCH HYPOTHESIS

Rrelationship between fair performance-based operation and promoting tacit knowledge transfer.

Osterloh and Frey (2000) stated that the transfer of tacit knowledge is inappropriate for local staff, i.e., rewarding outcomes, or extrinsic motivation because it is difficult to measure outcomes. Additionally, studies found that a mechanism that links performance and reward reduces intrinsic motivation and is unsuitable for tacit knowledge transfer (Osterloh & Frey, 2000). However, Du Plessis et al. (2013) highlight the relationship between job satisfaction and organizational reward system such as pay, benefits, and promotions in the hotel industry. Particularly, job satisfaction improves when perceived as fair and reasonable, i.e., equal pay for equal work and fairness in promotion.

Operating human appraisal fairly is necessary to measure individual performance and is closely linked to wages, promotions, reassignments and human development. Most of global hotel chain have adopted performance-based system, which is an important factor in assessing fairness to evaluate intangible service performance and employee behavior. Based on the discussions, we firstly set the two research hypotheses of this study as follows.

H1: Service staff's job satisfaction positively influences the fairness of employee personnel appraisals.

H2: Service staff's job satisfaction positively influences promoting tacit knowledge transfer.

H3: Fair performance-based operation under the universal personnel system positively influences promoting tacit knowledge transfer.

Relationship between leadership with strong authority of headquarter and promoting tacit knowledge transfer.

In the case of explicit knowledge transfer, headquarters have an information advantage over local subsidiaries if instructions and orders are communicated firmly to local staff. When the instructions are clear, tasks are articulated, and the headquarter leadership works effectively (Hennart, 1993). Eisenhard (1985) stated that the task of staff was determined by programmability, specification, and visualization of evaluation. The higher the explicit knowledge level, the easier it is to directly monitor actions to local subsidiaries.

However, this is ineffective when exceptions occur, or problems arise that must be resolved by local staff. Additionally, management styles that lacks freedom and autonomy of employee behavior makes it lose creativity and motivation (Oldham & Cummings, 1996). In general, The strategy of global hotel chain can attempt to the homogeneity and standaization of operations and activities (Peters & Frehse, 2005) . However, It doesn't mean establishing a global standard by headquarters initiatives.Regardless of headquarter or local hotel chains, they jointly establish a global standard such as universal management phylosophy and a cord of conduct. Based on the above discussion, we set the third research hypothesis of this study as follows.

H4: Leadership with strong authority of headquarter negatively influences job satisfaction of recipients.

H5: Leadership with strong authority of headquarter negatively promoting the transfer of tacit knowledge.

Relationship between willingness to learn and promoting tacit knowledge transfer.

Contrary to 3-2, Ghoshal and Bartlett (1994) argue that from the perspective of organizational socialization, context formation and change can lead to individual initiatives, collaboration, spontaneity in learning, and organizational commitment. Schlesinger and Zornitsky (1991) found three factors that caused two-thirds of employee satisfaction levels; latitude, and giving authority to serve customers. Figure 4 shows the determinants of employee satisfaction from empirical studies. To explain Figure-4 in detail, latitude refers to the freedom to act as the situation requires. The idea of authority to serve the customer is linked to latitude. Empowerment and employee job satisfaction are related.

On the other hand, the evaluation of empowerment depends on the ability of the recipient. Lower employee performance can lead to abandonment of duties or inappropriate judgment. if the ability is higher, the motivation for learning is increased and the empowerment is highly successful. As Minbaeva et al. (2003) highlighted that the ability of recipient positively influences promoting knowledge transfer. Employees with high ability may be promoted willingness to learn. As a result, it is expected that the absorption capacity of service staff may be enhanced and knowledge transfer may be promoted. Based on this discussion, we set the forth research hypothesis of this study as follows.

Table1. Sources of employee satisfaction

<i>Determinants of employee satisfaction</i>	<i>Explanatory power</i>
Latitude given to meet customer	36.6%
I have the authority to serve the customer	19.2%
I have the knowledge and skills to serve the customer	12.9%
Rewards provided for serving the customer well	7.3%
Customer satisfaction is a high priority with the director/manager	4.2%
Production requirements are reasonably balanced with serving the customer	3.1%
Supervision overall is satisfactory	2.8%
Underwriting training is satisfactory	2.1%
13 other determinants	11.8%
TOTAL	100%

Source: Schlesinger and Zornitsky (1991)

To explain Figure-4 in detail, latitude refers to the freedom to act as the situation requires. The idea of authority to serve the customer is linked to latitude. Empowerment and employee job satisfaction are related. On the other hand, the evaluation of empowerment depends on the ability of the recipient. Lower employee performance can lead to abandonment of duties or inappropriate judgment. If the ability is higher, the motivation for learning is increased and the empowerment is highly successful. As Minbaeva et al. (2003) highlighted that the ability of recipient positively influences promoting knowledge transfer. Employees with high ability may be promoted willingness to learn. As a result, it is expected that the absorption capacity of service staff may be enhanced and knowledge transfer may be promoted. Based on this discussion, we set the forth research hypothesis of this study as follows. In addition, The measurement of an employee's ability is based on the results of the employee's self-judgment and human appraisal.

H6: The higher ability of the recipients positively influences promoting the transfer of tacit knowledge.

H7: The recipients' willingness to learn positively influences promoting tacit knowledge transfer.

Relationship between the Trustworthiness of Participants and Promoting Tacit Knowledge Transfer.

By building trust among participants, privileged information acquired by individuals can be shared with the organization (Scott & Bruce, 1994), and new knowledge can be created (Schein, 1968). Chakravarthy and Lorange (1989) argued that developing trust between headquarters and local subsidiaries is likely to enable sharing the local country's knowledge and resources positively with the entire company. The task of service in the hotel industry generally involves teamwork and requires specialized knowledge. Service staff needs to develop specific ability and great human relationship with whole members. Levin and Cross (2004) state that, in addition to the strength of participants' ties, the ability of the source, from the perspective of the recipient, is closely related to the transfer of tacit knowledge.

The main point of their originality research is to classify trustworthiness into benevolent trust and competence-based trust. This highlights that the source's benevolent trust does not affect the transfer of tacit knowledge. However, competence-based trust had a major highly impact on tacit knowledge transfer. Since customer service is a professional and skilled work, competence-based trust has an important role regardless of strength tie. The tie strength can be a function of work interdependence beyond the voluntary control of the individual. Thus, in addition to the personality of the source, the recipient needs to receive the useful information. Based on the

above discussion, we set the fifth research hypotheses of this study as follows.

H8: The competence-based trust more than benevolence trust influences promoting tacit knowledge transfer in regardless of tie strength.

Figure2 shows the research framework to promote the transfer of knowledge in global hotel chains from the perspective recipients of knowledge. Based on previous research, it focuses on the absorptive capacity required for the recipients of knowledge in global hotel chains. The uniqueness of this model takes into account not only the absorptive capacity of the recipients, but also the relationship with the source of knowledge and the power balance with headquarters.

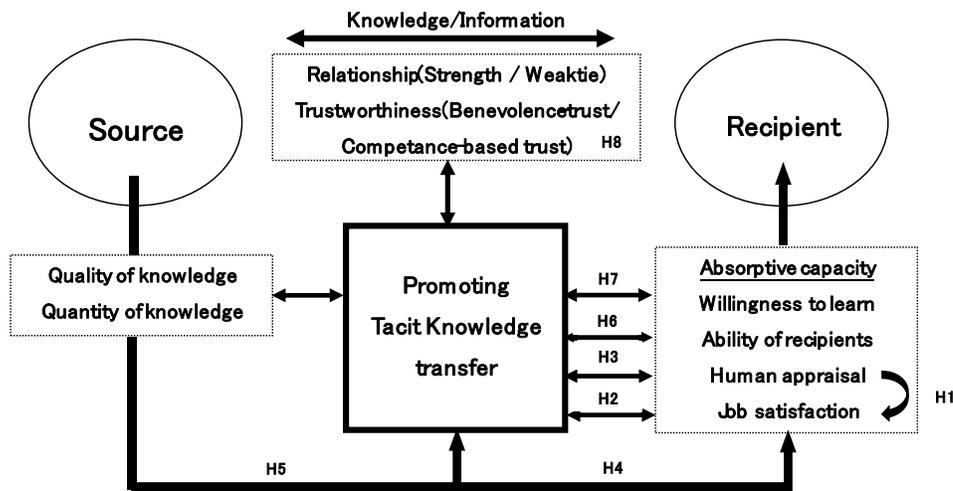


Figure2. Analysis framework of tacit knowledge transfer from the view point of recipients

CASE STUDY

The case of “origin8” initiatives at JAL hotel chains

Jal Hotel has 25 branches overseas, including Okura Hotels & Resorts (as of March 15, 2020). The company has been working since 2004 to implement Japan's finely-grained services overseas. Recently, they have adopted local Chinese, Vietnamese, and the Pacific Rim employees to understand and practice Japanese management philosophy and guidelines. They presented eight perspectives (smile, sensibility, enjoyment, cooperation, information, inspection, hygiene, safety) to implement Japanese services abroad, and called it ‘Origin8.’

In this initiative, all employees, including those overseas, are aware of the eight viewpoints and exhibit ingenuity in their work to increase customer satisfaction. The aim was to share this information globally, to be used in hotel chains. Therefore, information on each hotel's efforts is shared through booklets and international conferences. For example, a training session for hotel employees in the Chinese area analyzes how their business improvements and the development of new products or services, based on the management philosophy and action guidelines, positively affected the results of the global customer satisfaction survey data.

Additionally, to put Origin8's efforts into daily practice, information is shared by filling in “Good job!” cards for successful cases of hotel employees based on the eight viewpoints. They are displayed on the backyard wall. The company formalizes the best practices of individuals and the organization, as shown in the following photo, and shares them domestically and internationally for other staff members to learn.



“Good job!” cards for successful cases based on the Origin8
(Okura Nikko Hotel Management Co., Ltd.)

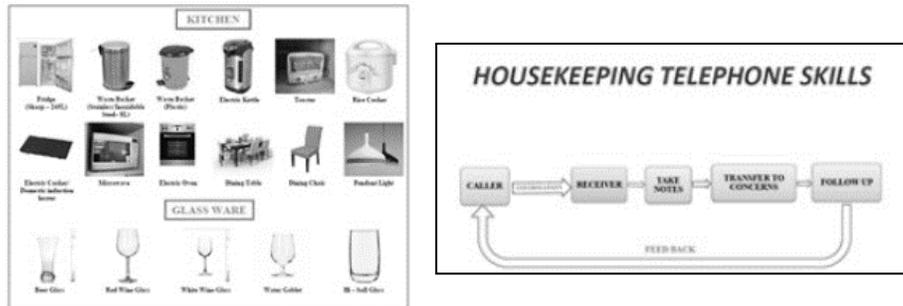
New employees are made to understand the eight action guidelines using cartoons and characters, a booklet called “The origin 8 story” was produced and translated into Japanese, English, and Chinese, and distributed overseas to all the hotel chains. The “Good job! Review System,” showcasing cases of excellent service, is shared with domestic and overseas employees. Each hotel operates an “MVP award system” that recognizes the best examples on a monthly or yearly basis. According to the SANNOU research institute report, there were initial concerns about the successful operation of the project, especially with Chinese staff, considered to be individualistic. However, many practical examples are nominated for excellence regularly. The company also operated an “MVP award system” at each hotel, and shared instances of excellence throughout the chain through a dedicated, regularly updated website, (called Minori Web).



The Origin8 Story (Okura Nikko Hotel Management Co., Ltd.)

The updated site is available to all the hotel staff. The hotel industry, having high attrition, benefits from these initiatives by effectively minimizing the loss of know-how when the company loses talent. According to the SANNOU research institute report, in many countries and regions overseas, the roles of managers and staff are clearly defined, and it is the role of managers to identify and solve problems. Thus, the staff members firmly believe that they should follow the manager's instructions, considering that they do not reflect on their work to identify problems and decide on solutions proactively.

In the case of Vietnam, the initiatives for Quality Control (They are called QC circles) work to improve their service quality and to increase their productivity. They create some small groups across their functions to discuss all the service improvements. For instance, The photo below shows how to improve services through the cooperation between housekeeper and facility manager. These results are regularly compiled and are sent as a handbook to all the hotel chains. They are used in human resource development and are checked at regular meetings.



The results of the QC circle
(Okura Nikko Hotel Management Co., Ltd.)

CONCLUSION

As a result, we proposed five hypotheses that have a positive or negative effect on the transfer of tacit knowledge, as shown in Figure 5. However, this model, a framework from the perspective of HRM, has limitations. It could not account for the quality of knowledge, cultural background, and geographical characteristics of employees. However, it contributes to the task of HRM managers in the hotel industry.

Secondly, as a case study, we introduced JAL Hotels' Origin8 initiatives to examine the effective transfer tacit knowledge overseas in hotel operations. These are communication opportunities, clarification of the significance of learning business philosophy and codes of conduct, ideas for accumulating know-how, promotion of information sharing using translation in local languages, and promotion of information sharing using databases.

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