Chapter 10 Micro-Level Stickiness as a Threat to Client Centric Knowledge Transfer among ICT Firms in Malaysian Technology Parks

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ABSTRACT

The study in this chapter was carried out to ascertain whether the national ICT initiative on facilitating knowledge transfer among ICT firms by providing dedicated technology parks throughout Malaysia was client centric. It examines the issue from a micro level perspective of stickiness of knowledge transfer, which includes transfer mechanisms, types of transfer, knowledge barriers, and transfer contexts. The study solicited the opinions of competent informants (i.e., policy makers and competent ICT leaders) through face-to-face interviews in three technology parks located in northern and central Peninsular Malaysia (Kulim High Technology Park; MSC, Cyberjaya; and Selangor Science Park). The results confirm the presence of stickiness in terms of mechanisms specified in the literature.

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INTRODUCTION

Theoretically, stickiness has been variously referred to as difficulties in "learning by doing" (Arrow, 1962, p.155), expensive in "cost of transfer" (Teece, 1977, pp.245-246), mobilising "remembering" and "doing" (Nelson & Winter, 1982, pp.99-101), disability to transfer information (Von Hippel, 1994, p.430), and complexity (Szulanski, 1996, p.32). Practically, stickiness can be referred to as the organisational expenditure to mobilize human and non human resources for knowledge transfer (Teece, 1977, p.245), employing talented and qualified personnel for specific organisational tasks (Nelson & Winter, 1982, p. 99), using resources for training and development activities (Nonaka & Takeuchi, 1995), and interactions between different departments within a firm (Szulanski, 1996, p. 27), and multiple organisational arrangements contexts such as the partnerships, joint ventures or any collaborative arrangements (Jensen & Szulanski, 2004, p. 509; Kostova, 1999, pp. 308-309; Szulanski & Jensen, 2006, p. 937).

At the "macro" level, stickiness occurs when a general policy is formulated to serve as a onestop centre using standardised "working example" (Szulanski & Jensen, 2004, p. 348) for multiple situations. This approach is not practical as it uses standardised "template" for multiple contexts (Kostova, 1999, pp. 316-317). Similarly, the use of "templates or working examples" (Szulanski & Jensen, 2004, p. 348) does not encourage knowledge transfer.

The problem of stickiness at the "macro" level complicates further at the "micro" level. The "micro" stickiness is caused by four aspects in knowledge transfer among firms: (a) transfer mechanism (via "replication," "adaptation," "template" of practices) (Szulanski & Jensen, 2004, p.348; 2006, pp. 937-939), (b) types of transfer ("physical item" (Teece, 1977, p.245), "knowledge," "best practice" (Szulanski, 1995,

p.437), (c) knowledge barriers ("knowledge" and "situation") (Szulanski, 1995, p.437)), and (d) transfer contexts, "single" (Szulanski, 1995, p.437; Szulanski & Jensen, 2006, p.937) and "multiple" (Kostova, 1999, pp.308-309).

Client centric can be defined as institutional transactions "between the values exchanged between the customer and the organisation and the values exchanged between the customer and competing organisations" (Wallman, 2010, pp.485-488), a shift from "firm-and-product-centric view of value" to "tailor-made products and services" that are connected with customers (Johannessen & Olsen, 2010, pp.502-504), "co-creation with customers" (Chung, 2009, pp.19-21), "interactive through co-creation of learning, creativity and adaptability" (Desai, 2010, pp.388-389), and "conversion of value" (Allee, 2008, pp.5-8).

The "micro" level stickiness will pose a "threat" to knowledge transfer between firms if the "template" or a standardised instrument introduced by the sponsors of technology parks is unable to encourage knowledge transfer among firms. The sponsors or the "suppliers" of technology parks have proposed to the "clients" (the ICT firms) the use of knowledge transfer instruments (templates) for their knowledge transfer activities.

In the Malaysian ICT industry context, the suppliers of the instruments for knowledge transfer among ICT firms are the Malaysian Government and its agencies, and the clients of the instruments are the ICT firms who operate in governmentsponsored technology parks. Indeed, the Malaysian government established technology parks as a vehicle to attract foreign direct investment in the ICT sector. Technology parks are just a physical infrastructure; this alone is not adequate as they need input from all active industry participants and other institutions (Singh, 2001). In fact, the policy for technology parks was formulated in tandem with other economic policies such as the knowledge-based economy and innovation-based economy.

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