



Knowledge transfer: key  
to sustainable talent  
for Africa?

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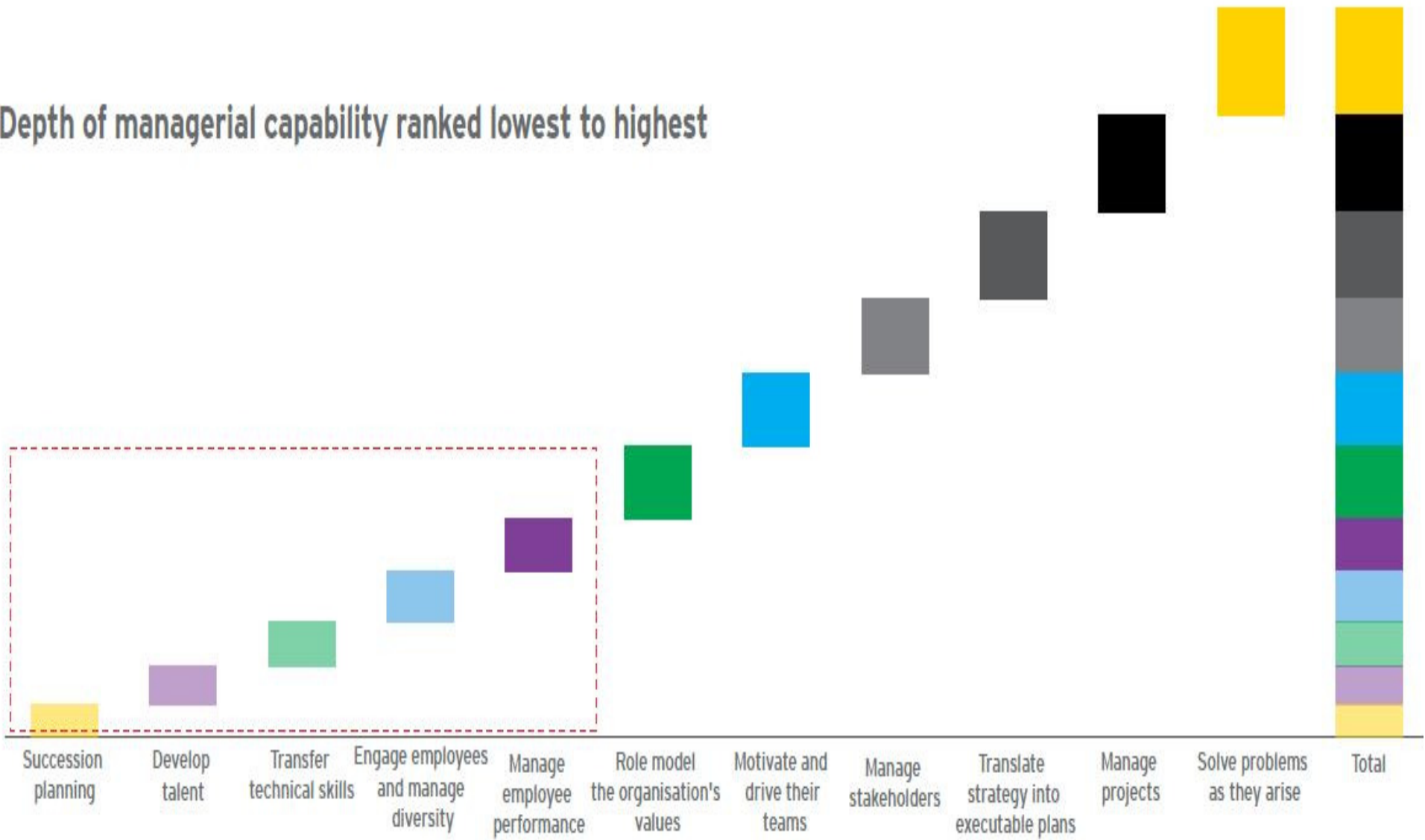


# BACKGROUND

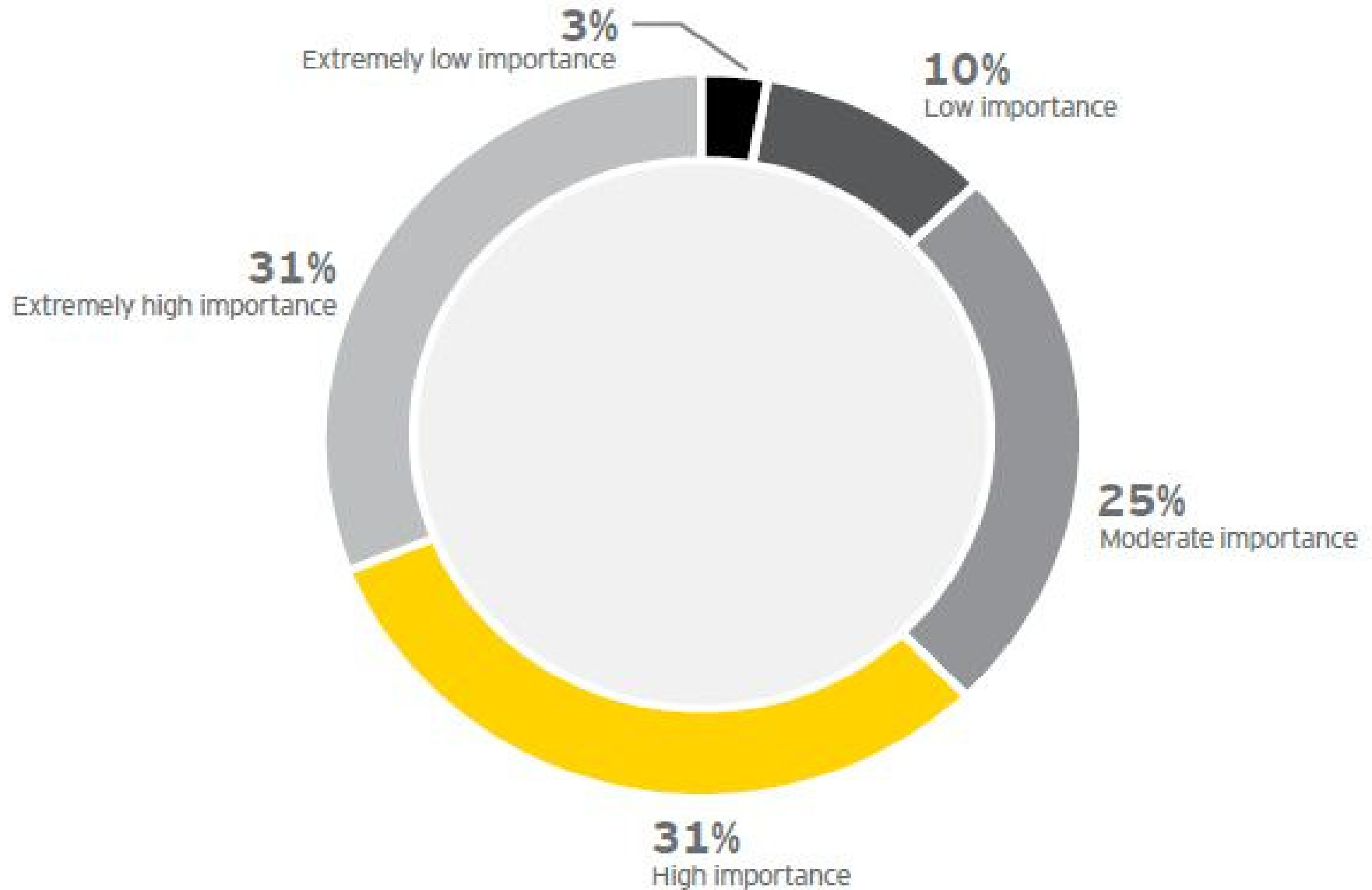


- *.BUY / BUILD*
- *78% of respondents in EY survey had a short term focus on workforce planning*
- *Resources that generate superior value for an organization are those developed within it*
- *For resources acquired through the competitive market, value to the organization is already reflected in price*

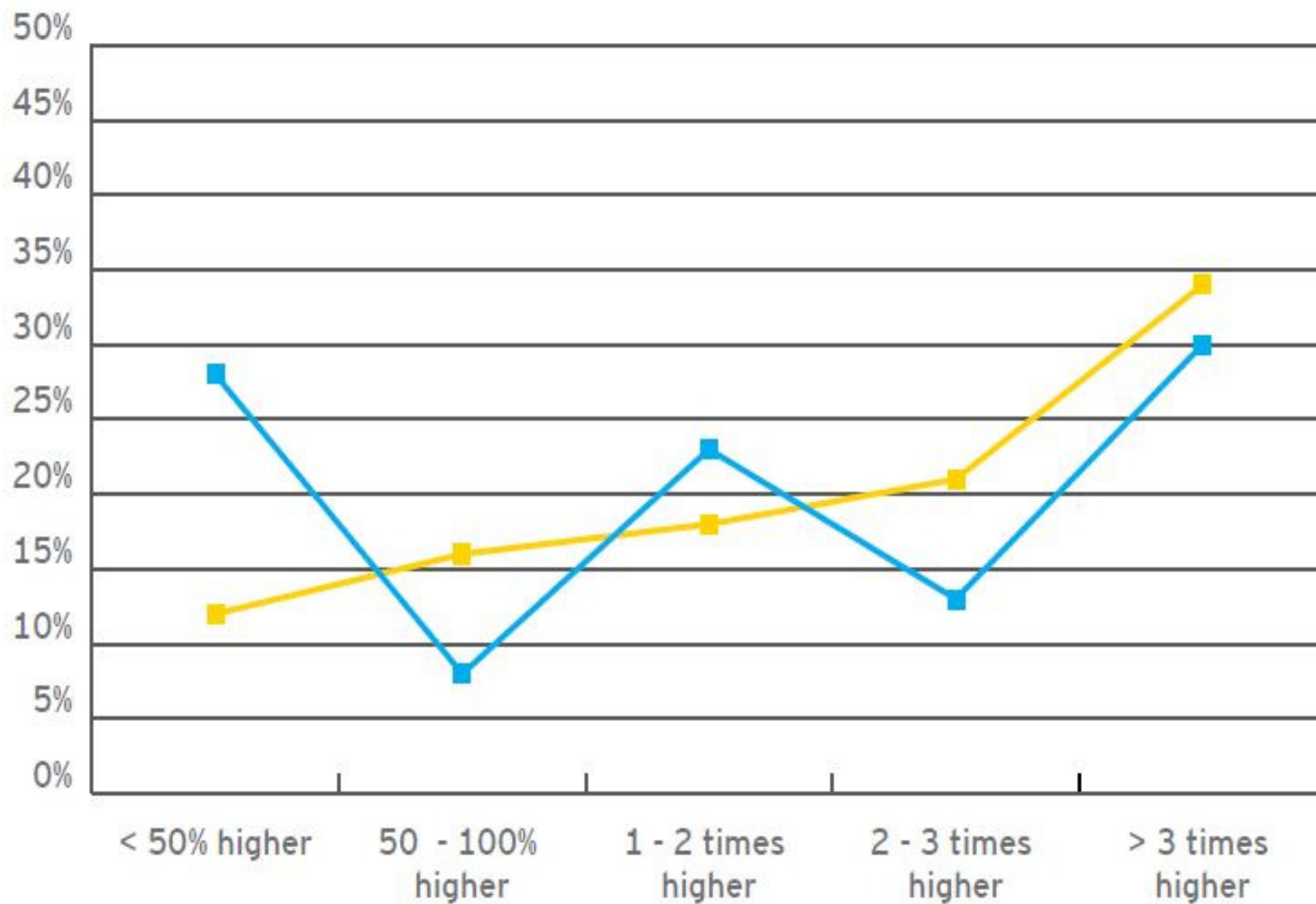
## Depth of managerial capability ranked lowest to highest



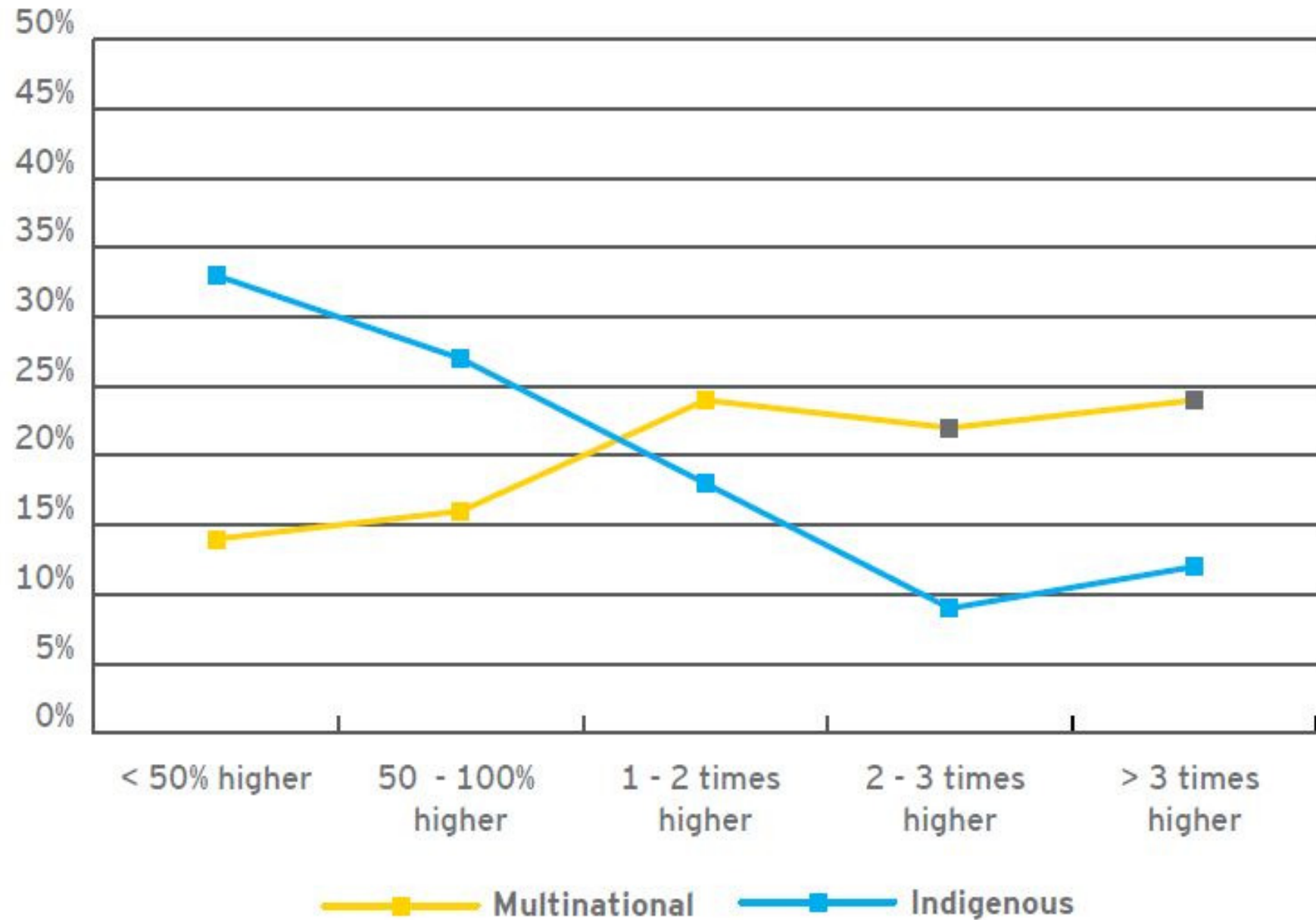
## Importance of skills transfer from expatriates to locals: indigenous companies



## Expatriate premium - Executive

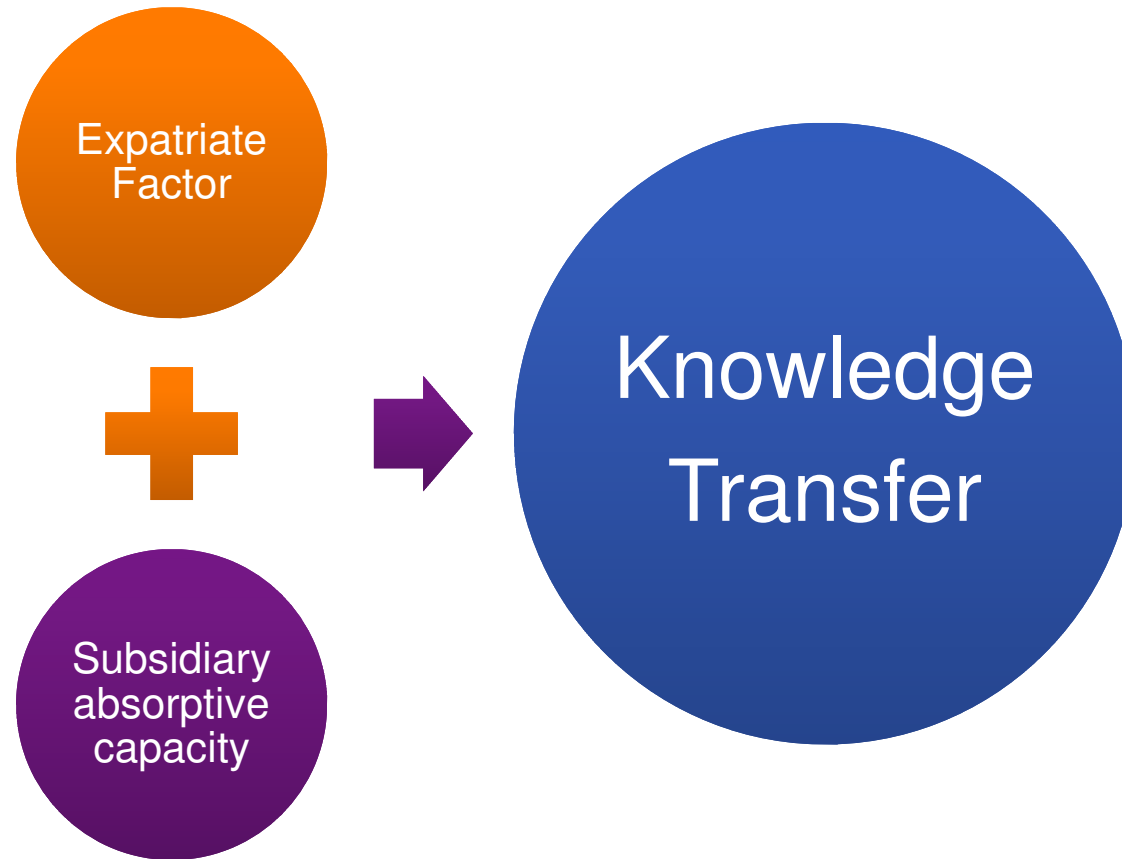


# Expatriate premium - Technical/operational



# THE KEY FUNDAMENTALS FOR KNOWLEDGE TRANSFER

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## RESEARCH FINDINGS

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**“I am aware of the outcome of my mission abroad”. Among the expatriates that failed their assignments 15% were “not at all” aware of the outcome of their mission abroad while 0% of the successful expatriates answered “not at all” to this statement.**



# EXPATRIATE FACTORS – Tacit knowledge

## ABILITY

- Expatriate ability refers to the knowledge, skills, and experience needed to solve difficulties in host subsidiary
- The foundation for successful KT is the effective communication
- Some expatriates may not have the ability to overcome surface-level (e.g., language) and deep-level (e.g., values and learning styles) cultural differences
- Many times we recruit expats for their technical skills

## MOTIVATION

- In reality the reward system may not provide sufficient incentive for expatriates to share their knowledge-
- Passed over by promotions in the home country
- Repatriation Challenges - Guarantee of next assignment after expatriation
- tacit knowledge is built through years of experience in an MNC and gives expatriates certain advantages (e.g., a position of privilege, power, and superiority). (Lafarge succession plans)

## Opportunity seeking

- Tacit knowledge is difficult to articulate, and its transfer requires extensive interactions and focused efforts. (e.g., extensive interactions with local employees).
- Social ties must be established between the source and the recipient that provide a basis for joint problem solving
- Setting up communication channels, providing opportunities for dialogue, improving situations for team learning, and building informal ties .



# EXPATRIATE FACTORS

## Knowledge Transfer skills

- Competency assessment framework
- Proven Coaching record
- Convert tacit knowledge to explicit

## Nature Of contract

- Length of contract – Contract duration must be linked to the goal of the assignment .
- Coaching contracts have proven to be more effective i.e expatriate trains an existing job holder.
- Long term Career planning

## Cultural Diversity

- Expatriates Diversity training
- Differences in culture and language may hinder knowledge transfer. Tacit knowledge, therefore, does not diffuse easily unless the expatriates with the knowledge have the ability, motivation, and opportunity to transfer it



# SUBSIDIARY ABSORPTIVE CAPACITY

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- **Subsidiary absorptive capacity**—the ability to recognize the value of external knowledge, assimilate it, and apply it to subsidiary operations —matters significantly.
- Studies in the field of *know-how transfer* to less developed countries often report common adaptation issues such the lack of understanding of local organizational factors and strategies that are not culturally adapted to the environment in which they are being implemented.
- **The underlying problem** - a lack of formal process around knowledge transfer, a stark contrast to the onboarding process in most companies.

# ABSORPTIVE CAPACITY - COMPONENTS



## Identifying & Recognising external knowledge

- MNCs must provide a clear vision as to what their subsidiaries are trying to achieve with the knowledge from their parent firms.
- Many employees identify more with local business than parent company
- Formal mechanisms of knowledge exploitation concern instruments such as databases, manuals, newsletters, seminars and workshops

## Processing & Understanding it

- Prior related knowledge is known to be critical for absorptive capacity and effective knowledge acquisition. Lafarge University -
- Formal channels for the processing of knowledge
- In addition, MNCs may provide a dense, socially connected environment for subsidiary employees to develop trust and cooperation in knowledge transfer.

## Combining the information with existing knowledge

- Some human resource practices such as job rotation may enhance absorptive capacity . MNCs may rotate subsidiary employees to positions at the headquarters—a process known as "in-patriation" . ( Lafarge Head office in Paris )
- knowledge received from expatriates may create conflict and disruption when it is not well integrated with existing routines because of low absorptive capacity.

## Applying the knowledge to commercial ends

- Prior research has also suggested that cultural differences between source and recipient hamper knowledge acquisition
- It is possible that subsidiary employees will perceive the knowledge from expatriates to be foreign and less valuable in their local context .

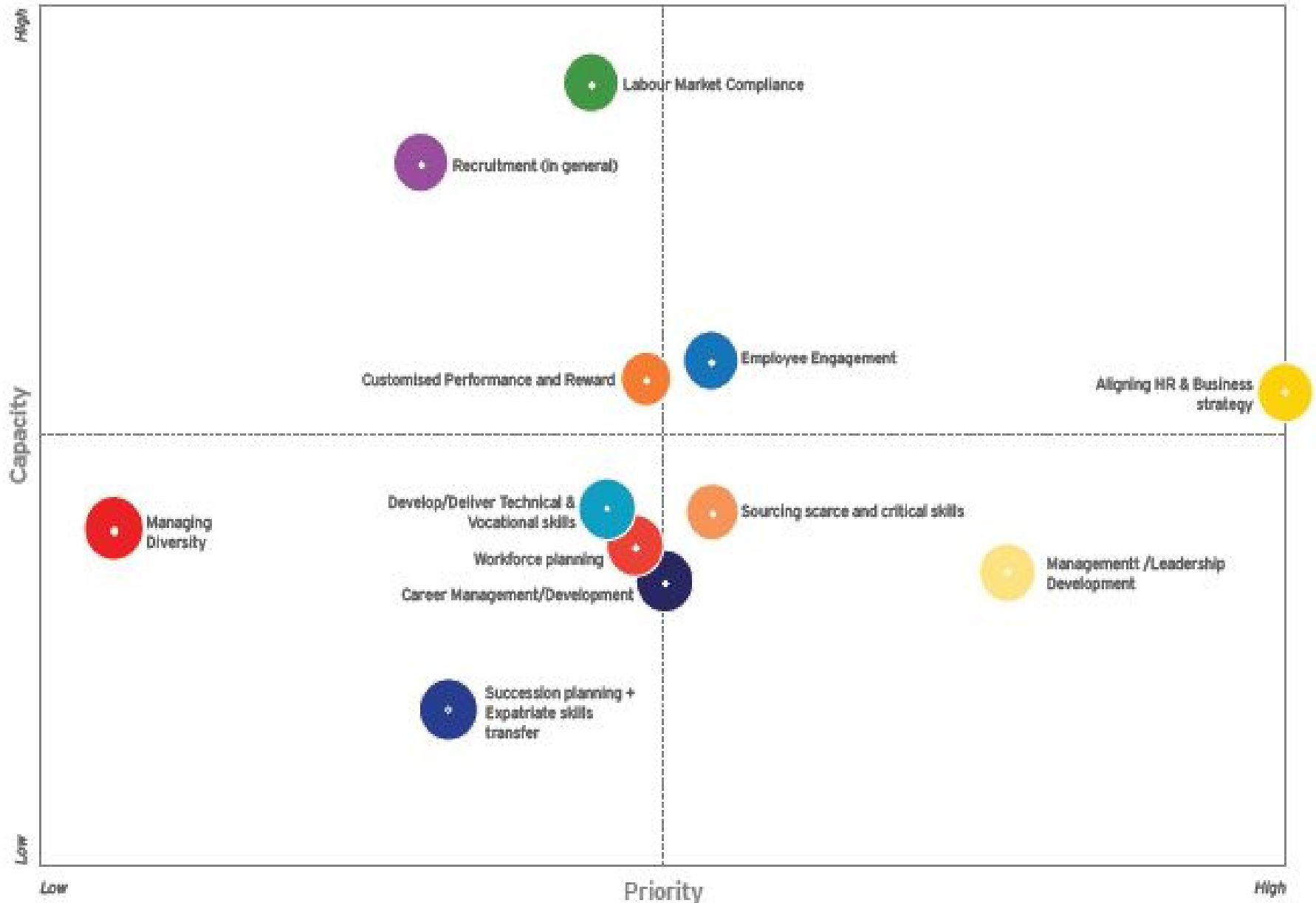


# IMPROVING SUBSIDIARY ABSORPTIVE CAPACITY

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- **Develop a knowledge transfer strategy**, integrate into daily operations, and formalize it.
- **Facilitate peer-to-peer and team training**, including: mentor networks, coaching, shadowing, paired work, apprenticeship programs etc.
- **Deliver information and training in a variety of methods** that are engaging and easy to use and understand. E- library ,e-learning
- **Have a single knowledge repository** that is relevant, organized, and constantly monitored and updated.
- **Continuously review and measure** the effectiveness of knowledge transfer practices and revise them as necessary.
- **Management of the expatriation process-** Studies done in the area of expatriation recommends that the process of expatriation is handled as a whole cycle. However, in reality the expatriation process is not always treated accordingly.
- **Organizational culture – Openness to change and open communication**

# HR priority-capacity chart-all respondents





# CONCLUSION

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1. **The expatriate factor is a complex challenge.**
2. **Organizations need to define specific, practical plans to replacing expatriates with indigenous labor.**
3. **Focus on how skills transfer from expatriate to local will happen – define the formal processes.**
4. **Focus on African Diaspora - these talent pools represent a fresh and potentially cheaper alternative to the typical expatriate.**
5. **The capability of the HR function to deliver services and processes in a range of areas requires attention.**
6. **For knowledge transfer to have a strong and lasting effect on subsidiary performance, the knowledge received from expatriates must become an integral part of the subsidiary's routines guiding its operations.**





Thank you