

Interaction in the strategic net - how to create conditions to the unimpeded knowledge transfer?

Abstract

In a turbulent environment the success of a company often depends on its ability to search, modify and apply new knowledge. Interaction constitutes an important element in this process and having a considerable effect on knowledge diffusion. The article presents strategic net as an approach towards cooperation on the B2B market. It concentrates on the problem of influence of interaction on knowledge transfer within the company in a resource-based view. Theoretical background on knowledge transfer and strategic net is followed by characteristics of organisational culture fostering interaction and, in effect, knowledge diffusion.

All the interaction taking place within a strategic net may be divided into two groups: job specific and social oriented. In the first group interaction helps the company's operational activities. The latter concerns the development of social networks existing in the organisation that impact knowledge transfer within the relationship. The article, based on the empirical research carried through companies operating on Polish market, shows results obtained among focal enterprises of the strategic net in terms of knowledge diffusion. The aim is to show the importance of interaction in promoting knowledge transfer process within the strategic net and, as result, reaching planned goals on the market.

Keywords: interaction, knowledge transfer, strategic net

Author:

Aleksandra Hauke, M.Sc.
Poznan University of Economics
International Marketing Department
Al. Niepodleglosci 10
60-967 Poznan, Poland
a.hauke@ae.poznan.pl
+48 854 33 15

Interaction in the strategic net– how to create conditions to the unimpeded knowledge transfer?

Abstract

In a turbulent environment the success of a company often depends on its ability to search, modify and apply new knowledge. Interaction constitutes an important element in this process having a considerable effect on knowledge diffusion. The article presents strategic net as an approach towards cooperation on the B2B market. It concentrates on the problem of influence of interaction on knowledge transfer within the company in a resource-based view. Theoretical background on knowledge transfer and strategic net is followed by characteristics of organisational culture fostering interaction and, in effect, knowledge diffusion.

All the interaction taking place within a strategic net may be divided into two groups: job specific and social oriented. In the first group interaction helps the company's operational activities. The latter concerns the development of social networks existing in the organisation that impact knowledge transfer within the relationship. The article, based on the empirical research carried through companies operating on Polish market, shows results obtained among focal enterprises of the strategic net in terms of knowledge diffusion. The aim is to show the importance of interaction in promoting knowledge transfer process within the strategic net and, as result, reaching planned goals on the market.

Keywords: interaction, knowledge transfer, strategic net

Interaction, strategic nets and knowledge transfer– theoretical perspective

In a turbulent environment the success of a company often depends on its ability to search, modify and apply new knowledge. Interaction - constituting an important element of cooperation between actors on the B2B market (eg. Cheung, Turnbull, 1998) - significantly impacts the creation and the development of business networks. It is very specific to each relationship and should be analysed with the reference to it (Ford et al., 2003: 18). In the article interaction will be understood as all kinds of communication processes (direct and indirect) between people within an organisation as well as the strategic net that enables diffusion of resources. Interaction between people and organisations generally should result in long-term relationships and in effect build trust, enhance cooperation and enable informational exchange (Andersson, Tuusjärvi, 2000). As Ford, Håkansson, Johanson (1993) argue in the result of interaction, resources coming from different actors in a relationship may be activated and integrated (Ford, Håkansson, Johanson, 1993: 382). One of the most important resources deciding about the success of the company and its net is knowledge - due to interaction within a relationship it may circulate between people and organisations being constantly modified and enhanced and result in the synergy effect for the net. The problem of interaction is widely discussed in the IMP literature (eg. Andersson, Tuusjärvi, 2000; Ford, Håkansson, Johanson, 1993; Holmlund, 2004; Leek, Turnbull, Naudé, 2001), still the importance of interaction as catalyst to an unimpeded knowledge transfer within the strategic net¹ has not been given a considerable attention. This is why the aim of this article is to contribute to the line of investigation on the interaction between employees within a focal enterprise of the strategic business net and its influence on knowledge transfer process in the relationship.

Strategic approach towards cooperation perceives actions undertaken by the focal enterprise² as an effect of the adopted strategy. The main company of a business relationship according to previously chosen business model decides with whom and under which form cooperate (Gulati, Nohria, Zaheer, 2000; Jarillo, 1998; Möller, Svahn, 2003). Instead of producing by itself, the hub firm often prefers to sub-contract or outsource a part of its production and, as result, to optimise its value chain. This increases the interdependency of companies which specialise in a chosen element of the value chain (Möller, Svahn 2006: 985). By adopting such a dominant position towards co-operators, the enterprise has bigger impact on other organisations within its net, what does not mean that these organisations may not follow their strategies. The cooperation in a strategic net takes place between autonomous and at the same time interdependent companies (Möller, Svahn, 2006: 988) who in order to gain better effects than acting alone, agree to cooperate under the control of the focal company. Enterprises in a strategic net by cooperating in such close ties along with a high level of trust may lower transaction costs (Jarillo, 1998). In the line of argument presented in the article, strategic orientation means that the hub firm has an important (but not dominant) impact on defining and accomplishing

¹ Strategic nets according to IMP literature refer more to relationships of the enterprise on a micro-level, while strategic networks refer to the cooperation on the regional level (eg. Lundberg, Hallén, 2004; Möller, Rajala, Svahn 2002). This distinction is not present in the strategic management literature, where relationships deliberately constructed by the focal company are called strategic networks regardless the level of analysis (eg. Gulati, Nohria, Zaheer, 2000; Jarillo, 1998; Welch, Welch, 1996).

² in the article terms: focal or hub (with the reference to company, firm or enterprise) will be used interchangeably.

its strategy. Being not fully independent it still may follow- with respect to other members- its plan in order to realise set goals. In the article the focus is attached to a single company and its operational strategy in a net context.

The ongoing development and each time more fierce competition require knowledge to be considered as one of the most important factors of competitiveness. In the article knowledge is understood as the combination of data, skills, facts, experience, values, contextual information, documents and expert insight that enable evaluation and absorption of new experiences and information (Davenport, Prusak, 1998; Probst, Raub, Romhardt, 2000). Knowledge should be considered not as a simple sum of existing data or pieces of information but as the effect of their transformation relevant to the occurred problem or task. Knowledge transfer³ has been described as “a process through which one unit is affected by the experience of another” and “manifests itself through changes in the knowledge or performance of the recipient unit” (Argote, Ingram, 2000: 151). It may also be characterised as the process of transmitting and receiving knowledge and depends on the absorptive capacity of the receiver (Głuszek, 2004: 76). According to Möller and Svahn (2006), the level of determination of the value system - that is “a set of specific activities carried out by the actors constituting the net” (Möller, Svahn, 2006: 987) has an impact on the type and intensiveness of exchanged knowledge. Depending on the development stage of the net (emerging value nets, business renewal nets, well established value nets), enterprises prefer to exploit or explore the existing specialised knowledge either the balance is trying to be kept (Möller, Svahn, 2006: 990).

In the paper knowledge transfer will be understood as the aggregate of all the flows and transfer actions that take place since the creation or the acquisition of knowledge until its retention and/or application by an employee. The level of the absorptive capacity- understood as the ability to acquire, assimilate, adapt and apply new knowledge- depends on the prior experience of the company in this field. As Argote (1999: 145) notices, knowledge diffusion may occur by transferring people, technologies or structures between cooperating companies. According to Sveiby (after: Perechuda, 2005:77) there are nine directions of knowledge transfer within an organisation. This diffusion may take place between: people working in the same company (via team working), from employees to the external structure (information on services, products), from the external structure to employees (trainings), from individual competences to the internal structure (updating or creating databases), from the internal structure to individual competences (simulations, interactive activities), within the external structure (focus on alliances), from the external structure to the internal structure (cooperation in R&D), from the internal structure to the external structure (databases on clients), within the internal structure (integrated IT systems). The right management of this multidirectional knowledge diffusion is extremely important in strategic nets where all the companies have to exchange information and data in order to raise the competitiveness of the relationship. As a result, the strategic approach by adopting an active role of the hub organisation points out the important role of managers in assuring and fostering all kinds of interaction favourable to knowledge diffusion within the relationship.

The transfer of knowledge constitutes a very important element of building a company's competitiveness, since the research shows that on average 26% of the company's resources are kept on paper, 20% in the electronic form, and even up to 42% in employee's minds (Grudzewski, Hejduk, 2004: 43). Employees are not only the owners of knowledge but also transform and adopt it depending on the situation, making the interaction so important in the unimpeded knowledge diffusion (Argote 1999: 174). This is crucial especially when it comes to the transfer of tacit knowledge. Often it may be the only method of knowledge diffusion since much of this resource is hard to articulate and to describe - people performing an activity are the only ones that can apply the tacit knowledge in a new task (Nonaka, Takeuchi, 2000).

Strategic business nets give better opportunities to actively control knowledge transfer within their structures. Interaction in order to enhance knowledge diffusion should be constantly developed and intensified. Managers play an important role in this process: they not only supervise the transfer but also constitute an active part of it - in order to facilitate interaction they should create an optimal organisational culture promoting knowledge diffusion within an enterprise and the net. This culture should be characterised by the high level of trust - the conviction shared by employees that the other part of the relationship will not behave in an opportunistic way. Trust is being created during long time relationships (Batt, 2004) and it is impossible to force it upon workers. Building a high level of trust takes time, but allows the transfer of more complex and secret knowledge and decreases the fear of leakages of strategic knowledge outside the net. Other elements known for promoting knowledge sharing culture and improving social networks, are partnership and cooperation focus, as well as

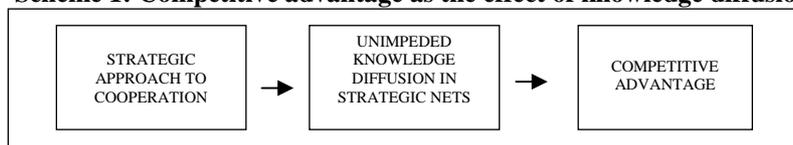
³ in the article terms knowledge flows, knowledge transfer, knowledge diffusion and knowledge sharing will be used interchangeably

good internal relations existing inside a focal company and its net. The next important factor promoting trust and knowledge flows is partnership orientation towards co-workers and co-operators - it contributes to the secure atmosphere within the net and positively affects the will to share knowledge. Knowledge transfer may be improved when the organisational structure is not hierarchical - lowering the distance between workers with different positions positively influences their willingness to diffuse knowledge. All people working in a company should respect individual and cultural differences existing in the net. This leads to better understanding and enhanced cooperation between all the members of the strategic business net. Managers in order to promote interaction and unimpeded knowledge transfer should create the atmosphere of openness – they should communicate to employees all decisions, even the unfavourable ones, openly. The organisational culture promoting knowledge transfer should not be composed of people who are very individualistic and are not willing to cooperate with others. To encourage people to share their knowledge with others an enterprise should put an emphasis on the development of good internal marketing strategy as well as partnership marketing so as to promote positive relations among employees and co-operators (Fonfara, 2004). Another aspect of favourable organisational culture is unified vocabulary used by people working in different departments of the company and the net. Due to the commitment of managers people should become more encouraged and eager to circulate knowledge within the enterprise and the relationship. All these factors have a great impact on creating a culture that enhances and supports knowledge sharing among all members of the strategic net - if barriers are being eliminated and knowledge diffusion is being supported, people are more willing to acquire and transfer new knowledge. The more the culture fosters interaction and resources exchange, the more advanced knowledge may be transferred within the focal enterprise and its strategic net.

Importance of interaction in knowledge diffusion

The competitive position of the company depends, in the resource based view, on the core competences and the capabilities it possesses. Every company has a unique set of resources and a unique way of operating on a market. Strategic resources that decide about the competitive position of the firm should be rare, durable, immobile, and difficult to copy. Resources and capabilities constitute the basis of competitive advantage as long as they may not be imitated by competitors (Sudolska 2006: 66). Only the proper combination and constant development of strategic resources strengthens the competitiveness of the firm. It should be stressed that competitiveness of a company is not determined by the overall sum of all resources that are controlled by the firm but it depends on resources that are crucial to its competitive advantage. The position a company has on a market is also the result of its ability to the right combination of complimentary and rare goods. Appropriately connected resources coming from enterprises cooperating within the net give better results than the resource of a single company (Głuszek, 2004: 195). This resource ties have been widely discussed in the IMP literature as one of key elements of network approach (eg. Ciabuschi, 2002; Ford et al., 2003; Håkansson, Snehota, 1995). The most important resource is the knowledge the company possesses, that is able to produce or obtain from other enterprises within the strategic net. The possession of strategic resources, especially knowledge, does not mean that the company will gain the competitive advantage over competitors – in order to raise competitiveness, knowledge should circulate within enterprise and its relationship, being constantly developed and improved. That is why unimpeded knowledge diffusion, as is it shown on Scheme 1, should become the important element of the strategy of the focal enterprise of the strategic net while building and sustaining competitive advantage on the market.

Scheme 1: Competitive advantage as the effect of knowledge diffusion within strategic net.

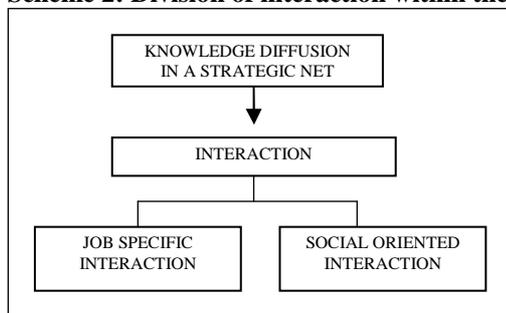


Own source

The importance of knowledge and the fact that for better competitiveness it should be transmitted within a company have been stressed in many publications (eg. Davenport, Prusak, 1999; Håkansson, Johansson, 2001; Hamel, Prahalad, 1999, Nonaka, Takeuchi, 2000; Szulanski, 1996). Still this aspect has not been given a wider attention when it comes to strategic nets context in the resource based view. The most important element of knowledge creation and especially knowledge transfer are employees - they are creators as well as transmitters of knowledge (Głuszek, 2004: 64). Knowledge resources may come either from internal structure (creation or development of existing resources) or they may be acquired from outside (on the market, by takeover, through new employees, from data bases). Due to day-to-day interaction on job-specific issues as well as thank to social contacts employees do not only share and enrich the knowledge but also diffuse it within the enterprise

and its strategic net. People modify, update and change information or data they possess depending on a specific problem, and as a result, create new knowledge. The interaction that takes place within the net helps also to build, develop and improve social ties, crucial element to the unimpeded knowledge diffusion. Employees with their capabilities to extract, transform and diffuse knowledge decide in a great extent about the competitive position on a market. All the interaction within the focal enterprise and its strategic business net which is helpful to knowledge diffusion may be divided, in my opinion, into two main groups: job specific and social oriented (see Scheme 2).

Scheme 2: Division of interaction within the strategic net.



Own source

In the first group interaction helps in operational activities of the focal company. The latter type of interaction concerns the development of social capital and social networks existing in the hub organisation.

Job specific interaction includes for example unstructured meetings during which new ideas are being invented after a common reflection over existing obstacle. Lack of official atmosphere gives impulse to talk more openly also about the problems with a given task in the enterprise. As research shown, the majority of information and knowledge (two-third) that managers get has its source in face-to-face meetings, other 33% come from written documents (Davenport, Prusak, 1998: 12). Another important element of knowledge diffusion within the network are established routines of cooperation – repeated and jointly created inter-organisational interaction significantly helps in diffusion, combination or creation of specialist knowledge within the relationship (Głuszek, 2004: 195). Another positive result is the enhancement of competitiveness by raising the number of innovations or processes' improvement. In order to encourage people to interact over operational activities the firm may also organise “knowledge fairs” (Davenport, Prusak, 1998: 93-94) that give impulse to unstructured exchange of information, ideas or may be the platform for problem solving. Another solution is the development of IT systems within the focal enterprise and its net. Thanks to the intranet all employees may take an active part in discussion groups or thematic portals that are helpful in the work problems. The next useful solution is a list of people accessible on-line with their field of work – when problem appears they may be instantly contacted and consulted. Other activity fostering interaction in a job-specific field are “knowledge maps” showing specialists in a given area. In case of problems the access will be much facilitated and questions will go directly to right people. Additional instruments helpful in promotion of job-specific interaction are: regular specialists meetings, rotation of workers, group working, electronic discussion teams, seminars, training, group projects, publication in intranet or newsletter of reports from attended conferences, exhibitions or seminars, promotion of innovations, creation of internal experts' divisions, communities of practices (informal meetings of workers discussing problems), videoconferences, appointment of a chief knowledge officer (person that is responsible for knowledge management) or professional trainings or self- trainings of employees (Stankiewicz, 2006: 360-361; Tomczak, Markowski, 2004: 19-20).

The focal company of the strategic business net should also be active in promoting social oriented interaction. One of the important actions in this field is the support of informal meetings within the company as well as beyond its formal structures. They are significant in development of social networks which are crucial to the creation and the exchange of knowledge. Through this interaction as well as due to informal contacts the spread of knowledge is even more intense (Lundberg, 2002: 2). Another tool helpful in fostering interaction are intentionally created special places within the enterprise to be used for informal conversation, or special rooms dedicated to talks. A further way of creating good conditions for interaction and as effect knowledge transfer is to encourage people to communicate with others for example during corporate excursions or common corporate events.

Managers of the focal enterprise of a strategic business net have to be aware of the significance of unimpeded knowledge diffusion in terms of the competitive advantage of the firm. This interdependence is especially

important for the enterprise operating in the global economy, where cultural, legal and economical barriers play very important role.

Empirical result on interaction

Empirical research has been conducted between May and August 2007 in Poland on 1950 companies (Polish and/or foreign) operating on the B2B market⁴. Questioned enterprises responded to the previously prepared and pre-checked questionnaire on “Impact of internationalisation and international cooperation on the success of Polish enterprises”. Since the article is a work in progress paper, results that are presented here will only demonstrate a very narrow problem concentrating on different kinds of interaction propitious to knowledge transfer which are being supported by the focal enterprise. The answers that are presented below come from a double selection process. In the first part, from all 272 enterprises that answered to the questionnaire, there have been selected about 160⁵ strategic oriented ones. The basis for this selection were positive answers (in the Likert scale) to questions on: formal process of operational activities on foreign markets, strategic approach towards operational activities on a new foreign market, and establishing good relations before entering a foreign market with actors operating on it. Enterprises operating in a strategic net constitute an important percentage of all the companies that took part in the survey. Only 10 firms (out of 272) declare strongly negative answers to these questions (other answers were invalid). This may signify that Polish enterprises attach importance to the planned strategy of internationalisation and operational activities on a new market. It may be deduced that this approach enables to compete better on new markets especially in the situation when many, well – established companies are already there. This may also signify that companies try to capture the potential opportunities in terms of internationalisation process and relationship development by building the strategy relevant to own resources. Such a response to these questions may also reside, especially in the case of small enterprises, in weak internal resources, especially material ones forcing them to carefully plan the expansion and operations on a foreign market.

Among the selected enterprises operating in strategic nets, questions on knowledge transfer have been verified and the results are shown in Table 1. Positive answers are derived from Likert scale and include answers “I rather agree”, “I agree” and “I totally agree”, negative “I disagree” and “I totally disagree”.

Table 1: Interaction activities within strategic nets.

Question	Positive answers	Negative answers
Q1. During work hours we organise meetings for employees to exchange ideas and opinions	145 (90,6%)	15 (9,4%)
Q2. Our company takes into account the employee’s suggestions on functioning of the firm	154 (95,1%)	8 (4,9%)
Q3. Our employees often exchange their experience and share their knowledge on activities of our firm	153 (94,4%)	9 (5,6%)
Q4. We regularly organise for our employees on-site trainings on our activities on markets	122 (76,2%)	38 (23,8)
Q5. Our company supports the development of new technologies of exchange and finding of new knowledge (like email, intranet, data bases)	158 (98,1%)	3 (1,9%)

Source: “Impact of internationalisation and international cooperation on the success of Polish enterprises”- research grant of Ministry of Science and Higher Education in Poland

Questions presented in the Table 1 focus on two types of interaction: social oriented (Q 1 - 2) and job-specific (Q 3 - 5). As it can be noticed, focal enterprises of strategic nets foster interaction in these two areas for example by facilitating the contact between employees during meetings, support of IT tools for knowledge exchange or organisation on-site trainings on operational activities of a company (the last with although high percentage of positive responses has the smallest indication number among the respondents). This may lead to the conclusion that enterprises, being strategically oriented, attach importance to both kinds of interaction (social and job-oriented) that are helpful to creation and development of social ties, and in effect to improvement of knowledge diffusion within the net. Companies operating in Poland are very active in knowledge management strategy, and it may be deduced that they see an important relation between knowledge diffusion and the final results of the hub company and its strategic net especially in an

⁴ The research - “Impact of internationalisation and international cooperation on the success of Polish enterprises”- was realised from grant of Ministry of Science and Higher Education in Poland. The questionnaire was sent to chosen on a random basis 1950 enterprises operating on a B2B market in Poland in May – August 2007 (the responsive rate reached at 14%). The research team includes: prof. dr hab. K.Fonfara, dr M. Łuczak, dr R. Szczepański, mgr A. Hauke, mgr M. Ratajczak - Mrozek

⁵ The total number of questioned enterprises due to lack of answers differ depending to question between 160 and 162.

international context. Being more aware of cultural, legal, sociological and economical differences, companies attach a significant importance to knowledge diffusion within their structures. As result, answers are strongly positive in terms of interaction as tool for knowledge transfer within their strategic nets. Interesting to observe is also a very small percentage of companies that do not use IT technologies in their operational activities. This is a very positive tendency which allows companies not only to communicate efficiently between them within a strategic net but also to absorb new information from outside the firm.

According to the research, this strong support for interaction and in effect knowledge transfer has also positive outcomes when it comes to final results of these companies, as shown in Table 2. The effects were examined so as to see whether interaction in terms of knowledge diffusion may have positive influence on financial results of the company. The results basing on Total Profit, Return on Investments, Total Sales and Market Share were compared with results from proceeding year of the same company as well as with the results obtained by main competitors of questioned enterprises⁶.

Table 2: Financial results of focal enterprises of strategic nets.

Question	Comparing to results of the company*		Comparing to main competitors*	
	Positive answers **	Negative answers**	Positive answers**	Negative answers**
Total Profit	117 (76,9%)	15 (9,9%)	56 (50%)	15 (13,4%)
Return on Investment (ROI)	86 (66,1%)	9 (6,9%)	42 (48,3%)	6 (6,9%)
Total Sales	95 (78,1%)	7 (4,6%)	68 (58,6%)	14 (12,1%)
Market Share	95 (63,4%)	7 (4,7%)	66 (34,2%)	14 (21,1%)

Source: "Impact of internationalisation and international cooperation on the success of Polish enterprises"- research grant of Ministry of Science and Higher Education in Poland.

* figures in bold indicate number of valid answers, figure in parentheses indicate the percentage of valid answers; comparison has been made on the basis of results obtained in previous year compared to the present year.

** positive answers include responses: "Much better" and "Better"; negative answers include responses: "Worse", "Much Worse", neutral answers ("Almost the same") have been ignored.

Almost all the companies operating in questioned strategic nets significantly improved their result compared to the previous year. The answers indicate that enterprises generally perceive themselves as better than competitors. Also their own development is worth noticing – in a substantial part they have improved the financial results within a year and only few of them declare that outcomes have deteriorated. When comparing the specific activities fostering interaction (see Table 3) and their influence on financial result compared to main competitors, it may be deduced that all the companies that promote the interaction have better outcomes comparing year to year. The difference between positive and negative answers is significant what may imply that almost all the action that are being undertaken by companies in terms of social as well as job-oriented interaction give positive effects on financial results of a focal enterprise in comparison to main competitors. It may be observed that the biggest impact on profits have informal meetings organised for employees to exchange their ideas and share knowledge (Q1). On the other hand, information technologies used by companies (Q5) having a positive effect on financial results, reached the biggest rate among all the negative answers. Worth noticing is the fact that organisations that support in-site trainings organised for employees (Q4) have less negative answers it terms of all surveyed financial results. These answers are interesting to compare with Table 2 where the aspect of knowledge diffusion is the less popular tool for fostering interaction. As this research shown, companies that are active in creating conditions for interaction and in effect knowledge diffusion within their strategic net have better financial results compared to main competitors on a foreign market.

Table 3: Financial results of companies (compared to main competitors) in terms of activities improving interaction.

	Total Profit		ROI		Total Sales		Market Share	
	Much better/ better *	Much worse/worse	Much better/ better	Much worse/worse	Much better/ better	Much worse/worse	Much better/ better	Much worse/worse
Q1	101	12	37	6	61	12	58	9
Q2	54	14	38	6	65	12	63	10
Q3	52	14	38	6	63	13	61	10
Q4	51	8	35	6	58	7	54	6
Q5	56	15	40	6	66	14	64	11

Source: "Impact of internationalisation and international cooperation on the success of Polish enterprises"- research grant of Ministry of Science and Higher Education in Poland.

* neutral answers ("Almost the same") have been ignored.

⁶ Total number of answers differ between 130 and 152 due to incomplete answers in the questionnaire

This empirical study indicated that among the questioned foreign companies operating on a B2B market in Poland, the ones operating in strategic nets are more conscious of the importance of the strategic approach towards internationalisation process and operations strategy on a new market in strategic net approach. They also are aware of the importance of knowledge resources as the important element of competitiveness. That is why a significant percentage of them endorse the actions that are propitious to knowledge diffusion within their nets. A limitation to this study is a relatively small number of investigated companies which does not allow drawing viable conclusions. Still to have a more profound recognition of this problem further research are to be undertaken in order to investigate the dependence of knowledge diffusion on final results of companies operating in strategic nets. Special attention will be given to the question of interdependence between interaction in terms of knowledge transfer and the results the focal enterprise has on the market.

Conclusions

Undisturbed knowledge diffusion within the focal enterprise of the strategic business net constitutes the challenge for managers especially in the global context. That is why they should be aware what elements are helpful in creating such a culture and secondly they have to facilitate all kinds of interaction that enables knowledge diffusion within the network. Creating and promoting knowledge-sharing culture is a very difficult task. Only by encouraging people to share what they know, and by ensuring them in this process, the company may reach planned goals and develop its potential. As research shown (Håkansson, Havila, Pedersen, 1999: 443-451) the degree to which the company is involved in learning and the knowledge transfer is positively correlated to the number of external relations it has with its business partners. The higher it is the more knowledge is created within the enterprise. The strategic approach assumes an active role of the focal company in terms of defining strategy, choosing business partners, defining the form of the cooperation and knowledge diffusion. It is so important for the focal company to create good conditions for interaction within the strategic net in order to smooth the knowledge transfer, especially when it comes from different sources.

In the global economy knowledge becomes one of the most important resources deciding about the competitive advantage. Special care should be taken to facilitate the exchange of ideas and solution of problems. Good knowledge diffusion may be improved by appropriate communication inside the net. Due to it, better market recognition may be observed and thus, company may gain the competitive advantage on a market. With the position already established, it may explore the market better than competitors. It may also advance in finding the niche segment and generate the advantage over competitors. All changes observed in the external environment are also spotted due to interaction and smooth flow of information through the net. Lack of barriers in communication as well as informal networks may result in better ingenuity and enhance the number of improvement or inventions. Smooth knowledge diffusion may also lead to rationalisation of costs and, in effect, good financial results of the focal company of the business network. Creating a culture promoting knowledge diffusion has to be considered as the priority task in order to achieve the strategic goals by the focal enterprise and the strategic net especially when it operates in an international context. Smooth knowledge diffusion will not be reached in short period of time. Managers of the strategic net have a crucial role in constructing knowledge sharing culture within the relationship. They should also promote interaction and encourage people to diffuse the knowledge. Every employee of a network should be aware of its role in a relationship and its contribution in reaching the competitive advantage of the strategic network.

As empirical results show Polish companies are aware that knowledge diffusion, so important to their competitiveness, is facilitated by unhindered interaction on job specific and social oriented level. They strongly endorse the actions that are helpful to development of trust – important element in knowledge diffusion process. A further research should expand on this problem with the special attention on interdependence between activities fostering interaction and their direct impact on final results of focal enterprises of strategic nets.

References:

- Andersson P., Tuusjärvi E. (2000), **“Structuring of interactions – towards the need to change. A comparative study”**, 16th IMP conference, Bath, United Kingdom
- Argote L. (1999), **Organizational learning. Creating, retaining and transferring knowledge**, Springer
- Argote L., Ingram P. (2000), “Knowledge Transfer: a basis for competitive advantage in firms”, **Organizational Behavior and Human Decision Processes**, Vol. 82, No.1, May, pp.150-169
- Batt P. J. (2004), **“Trust if you dare: a cross-cultural examination of the trust construct”**, 20th IMP Conference, Copenhagen, Denmark

- Cheung M.Y.S., Turnbull P.W. (1998), "A Review on the Nature and Development of Inter-organisational Relationships: A Network Perspective", in: Naudé P. (ed.), Turnbull W. (ed.), **Network Dynamics in International Marketing**, Pergamon
- Ciabuschi F. (2002), **Internationalization process form a resource network perspective**, Paper from IMP Conference: Culture and collaboration in distribution networks, Perth
- Davenport T., Prusak L. (1998), **Working knowledge**, Harvard Business School Press
- Fonfara K. (2004), **Marketing partnerski na rynku przedsiębiorstw**, PWE Warszawa
- Ford D., Gadde L. - E., Håkansson H., Snehota I. (2003), **Managing Business Relationships**, Wiley
- Ford D., Håkansson H., Johanson J. (1993), "How do companies interact" in Ford D. (ed.), **Understanding business markets: interaction, relationships and networks**, Academic Press Harcourt Brace and Company, pp. 381-392
- Głuszek E. (2004), **Zarządzanie zasobami niematerialnymi przedsiębiorstwa**, Wydawnictwo Akademii Ekonomicznej we Wrocławiu, Wrocław
- Grudzewski W., Hejduk I. (2004), **Zarządzanie wiedzą w przedsiębiorstwie**, Diffin, Warszawa
- Gulati R. (1998), "Alliances and networks", **Strategic Management Journal**, Vol. 19, pp. 293-317
- Gulati R., Nohria N., Zaheer A. (2000), "Strategic networks", **Strategic Management Journal**, Vol. 21, pp. 203-215
- Håkansson H., Havila V., Pedersen A.-Ch. (1999), "Learning in Networks", **Industrial Marketing Management**, No. 28, pp. 443-452
- Håkansson H., Johansson J. (2001), **Business Network Learning**, Pergamon
- Håkansson H., Snehota I. (1995), **Developing relationships in business networks**, Routledge
- Hamel G., Prahalad C. (1999), **Przewaga konkurencyjna jutra**, Warszawa, Business Press
- Holmlund M. (2004), "Analyzing business relationships and distinguishing different interaction levels", **Industrial Marketing Management**, Vol. 68, pp. 21-36
- Jarillo J.C. (1998), **Strategic networks- creating the bordless organization**, Butterworth- Heinemann,
- Leek S., Turnbull P., Naudé P. (2001), "**Interactions, Relationships and Networks. Past, present, future**", 17th IMP conference, Oslo, Norway
- Lundberg H., Hallén L. (2004), "**New Horizons And Positions: Structural Effects Of Strategic Networks**", 20th IMP conference in Copenhagen, Denmark
- Möller K., Rajala A., Svahn S. (2002), "**Strategic Business Nets – Their Types and Management**", available at: http://www.impgroup.org/paper_view.php?viewPaper=4462
- Möller K., Svahn S. (2006), "Role of Knowledge in Value Creation in Business Nets", **Journal of Management Studies**, Vol 43, No 5, July, pp. 985-1006
- Morawski M. (2005), „Ilościowe zarządzanie wiedzą – podejście zachodnie”, in: Perechuda K. (ed.) **Zarządzanie wiedzą w przedsiębiorstwie**, Wydawnictwo Naukowe PWN, Warszawa, pp. 61-84
- Nonaka I., Takeuchi H. (2000), **Kreowanie wiedzy w organizacji- jak spółki japońskie dynamizują procesy innowacyjne**, Poltext Warszawa
- Probst G., Raub S., Romhardt K. (2000), **Managing Knowledge- Building Blocks for Success**, John Wiley&Sons Ltd
- Stankiewicz M.J. (2006), „Próba modelowania procesów zarządzania konkurencyjnym potencjałem wiedzy w polskich przedsiębiorstwach”, in Stankiewicz M.J. (ed.) **Zarządzanie wiedzą jako kluczowy czynnik międzynarodowej konkurencyjności przedsiębiorstwa**, TNOiK, Dom Organizatora, Toruń, pp. 335 – 372
- Sudolska A. (2006), „Zasoby wiedzy jako strategiczny czynnik międzynarodowej konkurencyjności przedsiębiorstwa”, in Stankiewicz M.J. (ed.), **Zarządzanie wiedzą jako kluczowy czynnik międzynarodowej konkurencyjności przedsiębiorstwa**, TNOiK Dom Organizatora, Toruń, pp. 63-114
- Szulanski G., (1996), "Exploring internal stickiness: Impediments to the transfer of best practice within the firm", **Strategic Management Journal** , Vol.17, Special Winter Edition, pp. 27-43
- Tomczak P., Markowski P. (2004), **Gdybyśmy tylko wiedzieli, co wiemy- efektywne zarządzanie wiedzą organizacji**, Bernard Brunhes Polska
- Turnbull P.W. (1993), "Interaction and International Marketing: An Investment Process", Ford D. (ed.), **Understanding business markets: interaction, relationships and networks**, Academic Press Harcourt Brace and Company, p. 219-231
- Welch D., Welch L. (1996), "The Internationalization Process and Networks: a Strategic Management Perspective", **Journal of International Marketing**, Vol.4, No.3