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Knowledge Management

A Case Study of The Volvo Ocean Race

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Abstract

This thesis deals with the question of how a knowledge intensive organization works with knowledge embedded in people in an organization that regularly grows to more than a third of its size. The organization studied is the headquarters of The Volvo Ocean Race, which has a core organization consisting of eight people and swells to three times its size shortly before the boats start the race round the world.

In every race the organization is living through two phases: a planning phase and a strategic phase. It is mainly during the planning phase that knowledge transfer takes place. However, during the operational phase some knowledge transfer will also take place, although not as carefully planned as in the first phase.

Three enablers for knowledge transfer, used in both phases, are identified:

- Know-who – using networks
- Informal knowledge transfer – sharing by chatting
- Learning by watching *and* using earlier own experiences

These enablers are all used in the two phases, but adapted to suit the conditions of the specific working situation. In the planning phase, they are employed in a deliberate manner to serve the specific purpose of transferring knowledge. In the second phase, the enablers work without any deliberate intent, but rather as built in routine in the organization.

The conclusion reached in this study is that without the careful planning during the first phase the enablers would not be built into the routines of the organization during the second phase. Thus there would probably be less knowledge transfer between the core organization and the newcomers, making it harder to enter the organization and making the gaps from those who leave larger.

Foreword

The idea to write this thesis was born during a presentation of The Volvo Ocean Race arranged by the Svenska Kryssarklubben on an evening in April 2001. The CEO of The Volvo Ocean Race, Helge Alten, was invited to give this presentation and he talked a great deal about how Volvo had strived to make The Volvo Ocean Race something special to Volvo, the sponsors, the teams and everybody else involved. This was a presentation given to people interested in sailing, but quite a bit of information was also given about the organization around The Volvo Ocean Race. Already during the presentation I thought that this would be a possible field to study in my forthcoming master thesis and I developed the idea further until it became this thesis.

I would like to thank everybody who has helped me write this thesis. First and most of all, Helge Alten, Anders Löfgren, Sandry Koo, Peter Ansel, Chris Cooney and Lizzie Green at The Volvo Ocean Race, who patiently answered my questions and were so kind as to offer comments on my work during the process of writing. Also, I would like thank my supervisor Torbjörn Stjernberg, who has provided a much needed discussion partner. Finally, I would like to thank my fellow students who have offered useful comments on my work in progress.

Table of Contents

1	INTRODUCTION	1
1.1	WHY KNOWLEDGE NOW?	1
1.2	KNOWLEDGE AS AN ASSET	2
1.3	THE PROBLEM AREA AND THE PURPOSE OF THE STUDY	3
1.3.1	<i>Knowledge Management</i>	3
1.3.2	<i>The Organization</i>	4
1.3.3	<i>Defining the Problem Area</i>	5
1.3.4	<i>The Aim of this Study</i>	8
1.4	THE STUDY	8
1.5	SUMMARY	9
2	KNOWLEDGE MANAGEMENT	11
2.1	HOW CAN WE DEFINE KNOWLEDGE?	11
2.2	A HARD SIDE AND A SOFT SIDE OF KNOWLEDGE	11
2.2.1	<i>Information and Know-How</i>	11
2.2.2	<i>Tacit and Explicit Knowledge</i>	12
2.2.3	<i>Embodied, Embrained...</i>	15
2.2.4	<i>Know-What and Know-How</i>	16
2.3	INDIVIDUAL AND COLLECTIVE KNOWLEDGE	16
2.4	STORING KNOWLEDGE	18
2.5	KNOWLEDGE AS AN ASSET OR A PROCESS	18
2.6	SUMMARY	19
3	THE VOLVO OCEAN RACE	21
3.1	THE HISTORY OF THE RACE	21
3.2	THE TECHNICAL DEVELOPMENT	22
3.3	THE SYNDICATES	23
3.4	THE STOPOVERS	23
3.5	THE ORGANIZATION	24
3.6	SUMMARY	25
4	TWO PHASES IN THE ORGANIZATION	27
4.1	DIFFERENT VIEWS ON KNOWLEDGE TRANSFER IN THE ORGANIZATION	27

4.1.1	<i>The First Phase</i>	27
4.1.2	<i>The Second Phase</i>	28
4.2	THE IMPORTANCE OF SLACK.....	31
4.3	SUMMARY	32
5	THREE ENABLERS OF KNOWLEDGE TRANSFER.....	33
5.1	INTRODUCTION	33
5.2	KNOW-WHO – USING NETWORKS.....	33
5.2.1	<i>Know-Who – Using Networks as Enabler</i>	33
5.2.2	<i>How did The Volvo Ocean Race Ensure it Did Not Lose Knowledge When Taking Over the Race?</i>	34
5.2.3	<i>How Do the Individuals Within the Organization Perceive the Knowledge Transfer?.....</i>	36
5.2.4	<i>What is the Organization Looking for When Hiring New Personnel and How Does it Find Them?</i>	37
5.3	INFORMAL KNOWLEDGE TRANSFER – SHARING BY CHATTING.....	38
5.4	LEARNING BY WATCHING AND USING EARLIER EXPERIENCES.....	41
5.5	THE ENABLERS AT WORK	43
5.6	SUMMARY	44
6	CONCLUSION.....	47
6.1	WORKING WITH KNOWLEDGE.....	47
6.2	FURTHER STUDIES.....	48
	BIBLIOGRAPHY	49
	APPENDIX.....	53

Table of Figures

FIGURE 1:THE FLOWS OF WORKFORCE DURING THE TRANSITION FROM THE WHITBREAD AROUND THE WORLD TO THE VOLVO OCEAN RACE.....	6
FIGURE 2: ORGANIZATIONAL PEAKS	7
FIGURE 3:FOUR MODES OF KNOWLEDGE TRANSFER.....	13
FIGURE 4:THE LEGS IN THE VOLVO OCEAN RACE 2001/02.....	24

1 Introduction

This chapter aims to provide the reader with an understanding of the area that is of interest in this thesis. At the outset, a more general discussion about knowledge is made introducing why it is an interesting area to conduct a study in. Further, this chapter shows the reader the organization that will be at the focus of the thesis. As a conclusion of the discussion during the chapter, the following section will present the research problem and the purpose of the study. The last section explains the selection of interview respondents; further details on method the reader will find in the appendix.

1.1 Why Knowledge Now?

Knowledge in itself is nothing new. Ever since the ancient Greek philosophers this phenomenon has drawn the attention of the philosophers and they have tried to define what knowledge is. However, in the beginning of the 1990's knowledge management appeared as an issue in the world of management. Managers were advised to identify the knowledge within the company and make sure this knowledge was disseminated throughout the organization in order for the company to become more efficient in developing new products and solving problems (Targama & Diedrich 2000). This might partly be explained by the changes in business causing companies to manage their knowledge in a more structured way and view knowledge as a strategic resource (Prusak 1997).

However, the changes in society at large, and in the business world specifically, did not alone generate the focus on knowledge management. There are also developments on the theoretical level, which contributes to this focus. They can be defined as (Empson 2001)

- the resourced-based view of the firm, which identified knowledge as the primary source of sustainable competitive advantage
- and*
- the postmodern approach, which challenges not only the view on knowledge but on organizations and the society as a whole

To sum this up, taking the change in the business environment and combining it with the development in the research discourse you might find the explanation to why there has recently been such an explosion in writings in this field.

1.2 Knowledge as an Asset

Today, we are talking about knowledge-intensive companies (Alvesson 1993, Alvesson 2001), where most work is done by well educated, qualified employees. These are often service companies of different kinds, such as consultancy companies or R & D units, and they produce high quality services or products. The emergence of the category knowledge-intensive, is according to Alvesson (1993), a reflection of the society and organizations, where knowledge has become important. Knowledge is considered the most important input in these organizations.

As discussed above, the increased popularity around knowledge management can be seen as a development of the resource based view of the firm within the strategic management. It created an interest in the role of the firm's resources in developing competitive advantages (Løwendahl et al 2001). Also, there has been a general recognition of the shift in society from manufacturing companies to service companies. Drucker's (1995) "Knowledge Society" has become generally accepted and it is an expression being frequently used. Consequently, today, knowledge must be seen as one of the most emphasized resources of the company, both to manufacturing and service companies.

However, knowledge differs somewhat compared to other assets of the firm. The major difference is that it cannot be transferred as easily as e.g. a machine or raw materials, which is one of the factors resulting in a focus on not only knowledge creation within organizations, but also on knowledge transfer and storing of knowledge. It is, however, important to remember that knowledge in itself is not particularly valuable to a company. While the

knowledge revolution is inspired by new information systems, it takes human systems to realize it. This is not because people are reluctant to use information technology, but that it depends on that knowledge involves thinking with information. *“If all we do is increase the circulation of information, we have only addressed one of the components of knowledge”* (Mc Dermott 1999).

One apparent risk with knowledge is that it is often stored in individuals and may leave the company when the employee leaves. The staffing situation has forced the employees to become more volatile and an employee will not necessarily stay with the same organization for their whole life, but rather change companies during the career. The consequence of this is that employees are moving in and out of the company, bringing knowledge with them but also taking knowledge with them as they go. In this aspect, knowledge imbedded in technology may be more resistant to knowledge depreciation; whereas a service company is more vulnerable (Argote 2000).

1.3 The Problem Area and the Purpose of the Study

1.3.1 Knowledge Management

Most companies claiming that they work with knowledge management are working with the hard side of knowledge, or information management. In a study on knowledge management in practice, Ruggles (1998) found that projects in companies aiming at managing knowledge often involved in creating intranet, data warehouses, etc. High on the should-do list of the corporations in the study, was the people related issues: creating networks of knowledge workers and mapping sources of internal expertise. It is easy, Ruggles (1998) concludes, to be seduced by the neatness of a IT-system providing the means to share and store knowledge. The people related side of knowledge transfer is harder to manage and see through, but nevertheless vital if an organization wants to manage the knowledge it contains.

'...there are things that we do and things that we understand, which come from experience knowing what you can and you can't ask the guys on board to do, knowing how to approach them in difficult situations to get interviews and things like that.'

This was said by one of the employees at The Volvo Ocean Race headquarters. Organizing a race of these proportions requires a lot of knowledge. The quote shows that it is not necessarily facts and the kind of knowledge that can easily be stored in a database or something similar, which can be brought out when needed that is required. Rather it is the know-how stored in the people working with the race that is important. Hence, the focus of this thesis will be that kind of knowledge often referred to as know-how or tacit knowledge.

1.3.2 The Organization

Over the past ten years one could easily observe that the investments in leisure and entertainment increased tremendously. Due to increased investments, professional event managers are keen to satisfy the raised expectations of the costumers. Today's Volvo Ocean Race can be compared with the Formula One, which might be more familiar to some readers. The possibilities to use this kind of sporting event as a carrier of commercials has expanded and is finding new arenas especially through the new medias, which makes it possible to reach both small and large target groups in an efficient way. The Volvo Ocean Race is a good example of how it is possible to use a large sporting event as a platform for communicating with customers, since it is spectacular and attracts attention also among not sailing interested.

However, the sailing race has many aspects, ranging from security of the sailors to PR possibilities for the sponsors, all of which have to be combined into a good blend where every stakeholder is satisfied. The Volvo Ocean Race, earlier the Whitbread Round the World, has existed as a sporting event

since the preparations for the first race in 1973/74 began. Since then a lot has happened both in the world of sailing with technical development, but also in the world of sporting events in terms of what the onlookers expect from the race organization and what the technology makes possible. As one of the veterans at the race headquarters put it: *“This race has always pushed the limit. It has always been on the leading edge of technology.”*

This study is focusing on a quite unique organizational form, the organization of a sailing race. What makes this specific organization interesting is twofold:

- it has been bought and some efforts were taken to ensure knowledge transfer from the previous organization to the present one.
- it exists on a cyclical base, growing every time there is a race to more than a third of its original size, from 8 to 35 employees, creating a need for managing knowledge as it flows in and out of the organization.

1.3.3 Defining the Problem Area

The organization I chose to study was The Volvo Ocean Race for reasons, which were presented in Chapter 1.3.2, *The Organization*. Going to the Ocean House, as The Volvo Ocean Race Headquarter is called, I was curious to know how they worked with knowledge transfer. I had some articles and books to equip myself with opinions from current research on how you could do it and I wanted to see how an organization actually works with it in practice. Firstly, I was focusing on how they managed the process of transforming the organization into The Volvo Ocean Race, bringing some people from the previous organization, the Whitbread Round the World, and taking in some new people both from Volvo and from other sources. Out of this they made a new organization with the competence to let The Volvo Ocean Race start four years after the last Whitbread Around the World. This is illustrated in the figure below.

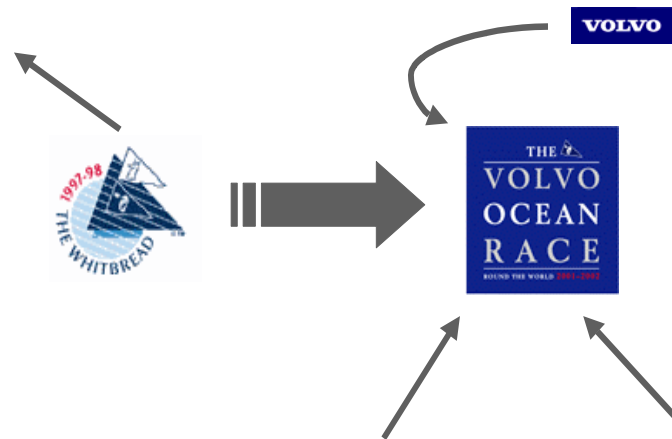


Figure 1: The Flows of Workforce During the Transition from the Whitbread Around the World to The Volvo Ocean Race

The figure shows the flow of workforce in and out of the organization at the time of the transition. The arrows illustrate workforce movements and the thick arrow illustrates the transformation of the organization.

Secondly, after having spent some time at the Ocean House talking to some of the employees, I realized that there was another dimension to knowledge transfer in their organization. This was created by working in an organization that during three years has existed with about eight persons working at the Ocean House and then, as the start of the race draws nearer, more people are hired to manage the workload and to perform specialized tasks. At the time of my visit there were about 30 people there and most of them had recently entered the organization and would only stay during the race and then the organization would shrink in size and go back to being about eight people, perhaps some more. As mentioned earlier, this introduces another aspect of knowledge transfer in their organization. Here I found a regularly reoccurring need to transfer knowledge. First, to integrate these newcomers into the organization and get them operational and, second, to prevent them from taking all their experience with them when they leave.

Thirdly, I became interested in how they find the people they need; who would they hire to do this short-term work at the office? What kind of background did these people have and did they feel that they could use this knowledge? I ended up with a picture of an organization where people more or less regularly enter and leave the organization and where there is a core of people supplying some kind of continuity from one race to the next. The view of the organization would be better described by the figure below.

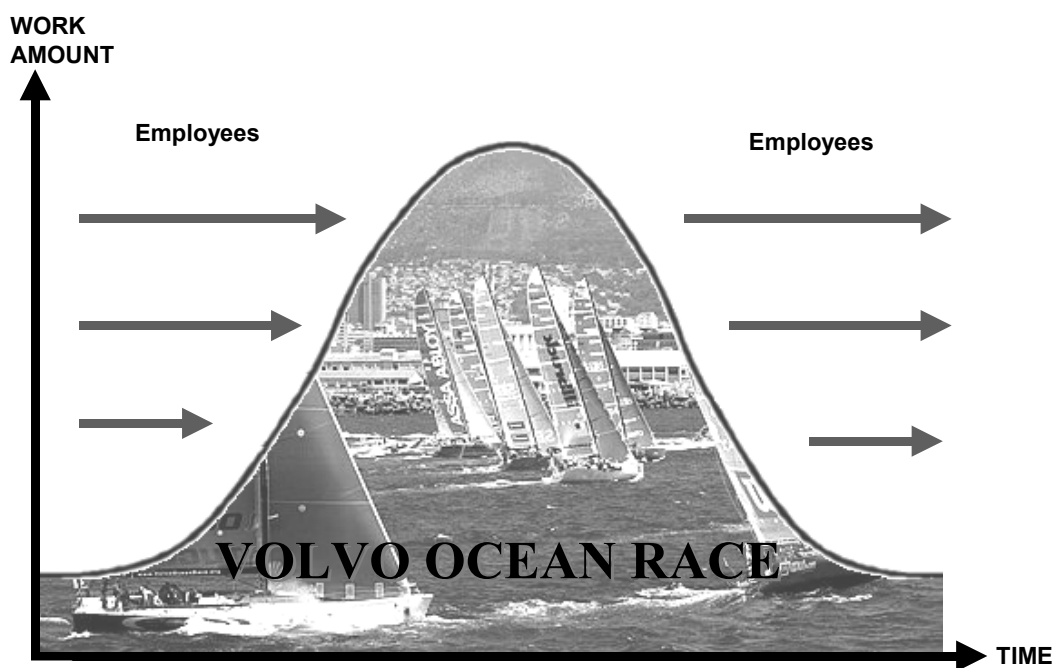


Figure 2: Organizational Peaks

The figure illustrates the current peak in work load and the flow of work force before and after the peak.

During my visit I was talking to different employees, of which some had been working with organizing the race for more than one race on the Whitbread/Volvo side of it, some had been into contact with the race earlier, working for syndicates, and some were completely new in the sailing industry. From these talks I got a general picture of how they perceived knowledge transfer taking place within their organization: i.e. by drawing on the experiences of those, who have been working with the race for a longer

time span, and how they work to integrate new people and how they prepare for these people to leave again next autumn. However, also heeding the impressions of the newcomers on entering The Volvo Ocean Race.

1.3.4 The Aim of this Study

During my work with this thesis I have discovered that much of the work in the field of knowledge management concentrates on producing companies and how these companies use knowledge. There are also researchers who study the service companies, e.g. consultancy firms. However, there seem to be few studies relating to temporary organization or cyclical organizations and how they work with knowledge.

The aim of this thesis is to study knowledge management in The Volvo Ocean Race in order to *explore and analyze how knowledge can be shared and transferred within an organization that regularly peaks in numbers of employees*. The focus organization in this thesis might not be a very common organizational form, but it could be compared to that of projects and hiring on a project basis. Therefore, this study and the answers it will generate about knowledge transfer has a broader interest than this specific case.

The main questions I will try to answer with this study is:

- *How does a knowledge intensive organization work with knowledge embedded in people in an organization that regularly grows to more than a third of its size?*

The question was broken down into the following three questions:

- *How did The Volvo Ocean Race ensure it did not lose valuable knowledge when they took over the race?*
- *How do the individuals within the organization perceive the knowledge transfer?*
- *What is the organization looking for when hiring personnel and how does it find them?*

1.4 The Study

Since one of the questions I had was related to the time span that the individuals had spent with the organization, my ambition was to interview

people who had been with the organization since the Whitbread days, and people who had joined the organization since Volvo took over. As pointed out earlier, this split of old employees and new, did not work out in reality and some alterations had to be made in the criteria for selecting respondents.

This resulted in my interviewing a total of six persons. One person from the Whitbread organization and one person entering the organization on Volvo's behalf during the last race who has stayed ever since, they both were treated by their colleagues as coming from the old organization. The CEO, Helge Alten, who has been responsible for the transfer from the Whitbread organization to a Volvo organization, was also interviewed. Further, I interviewed one person who joined the organization after the last race but has been working for syndicates before. Therefore he brought with him extensive experiences from the race but still was new to the organization at the headquarters. Finally, I interviewed two persons who are both new to The Volvo Ocean Race organization, although one of them has been working with syndicates earlier.

Of these persons three, including the CEO, had never worked with sailing events before. These people instead all had a background working for Volvo. Further comments on the methodology used in the work with this thesis will be found in the Appendix.

1.5 Summary

In this chapter the reader has been introduced to the area of knowledge management with an emphasis on explaining why the research area has evoked such interest both in business circles and in academic discourse.

Furthermore, the problem area which this study is concerned with has been discussed, showing how accurate the problem is, but at the same time pointing at the elusiveness of the concept of tacit knowledge. The reasons for choosing the case organization were presented followed by a discussion

of the research area. This discussion ended in defining the aim of the study and the questions it attempts to answer.

A short description of the interview persons was given, but the reader was asked to apply to the appendix for a more detailed description on the methodology used in this study.

In the following chapter the theories making up the theoretical background will be described. The theories the reader meets in the next chapter are thought of as basic tools for analyzing the results from the interviews.

2 Knowledge Management

In this chapter the reader is provided with an overview of the literature providing a base for analyzing the answers from the interviews. Knowledge is described as existing in different dimensions depending on the characteristics of knowledge and the level of analysis. The aim of the chapter is to provide the reader with some basic tools for the discussion, which follows in the next chapter.

2.1 How Can We Define Knowledge?

Although there is a focus on knowledge today, there are few researchers or others who can give a clear account of what knowledge really is. There is as yet no generally accepted definition of knowledge, although many have tried to pinpoint what knowledge is and how it can be classified into different kinds of knowledge (Diedrich & Targama 2000).

In the popular literature knowledge is often referred to as one entity. In starting to think about it, the reader will surely soon discover that he or she him/herself would probably not say that the knowledge of how to calculate the area of a room is the same kind of knowledge as the kind of knowledge that enables you to ride a bike. He/she would probably also not think of knowledge gathered in a repair manual as being the same kind of knowledge as the knowledge the repair man actually uses when he repair a technical devise. Below some different aspects of knowledge will be shown, focusing on the possibilities of transfer.

2.2 A Hard Side and a Soft Side of Knowledge

2.2.1 Information and Know-How

The concept of knowledge can be divided into at least two dimensions (Kought & Zander 1992). First, there is the hard side of knowledge: information. This is knowledge that can be transmitted without loss of

meaning if the sender and the receiver are both familiar with the context. It requires a certain pre-understanding, but is otherwise easily accessible to others. Second, there is the softer side of knowledge, which we often refer to as know-how. It is “*the accumulated practical skill or expertise that allows one to do something smoothly and efficiently*” (von Hippel 1998 in Kought & Zander 1992). Within an organization, the know-how can be found in the structure of work and in the interaction of employees. As will be shown below there are other ways of defining knowledge and dividing it up into different categories. However, the division described by Kought & Zander (1992) sums up the discussion in a neat way focusing on two basic kinds of knowledge. As will be shown later on, these two kinds of knowledge will return in the other discussions presented below.

2.2.2 Tacit and Explicit Knowledge

In their book on knowledge creating companies, Nonaka & Takeuchi (1995) explain the different kinds of knowledge by talking about tacit and explicit knowledge. The tacit dimension is also mentioned by Polanyi (1966) based on the fact that “*we can know more than we can tell*” (Polanyi 1966). He recognizes that the tacit dimension forms an indispensable part of our knowledge, although we might not always be aware of having this knowledge. Knowledge is not always strictly objective and possible to separate from the individual.

Nonaka & Takeuchi (1995) build on the ideas of Polanyi and they view the tacit knowledge as encompassing all knowledge we have, which we find difficult to communicate in plain words. They define explicit knowledge as that part of what we know that can be explained. They use this to explain the differences between Japanese and Western companies by showing how the Japanese recognize a tacit dimension to knowledge and how it might be worked upon and transformed into explicit knowledge, which can easily be shared within the organization. By accepting the fact that individuals possess knowledge, which they cannot fully express, Nonaka & Takeuchi (1995) claim that Japanese companies have learned to draw not only on the hard

knowledge of their workers, but also to create forums for sharing tacit knowledge.

Basically, knowledge transformation is thought of as a spiral construction where transformation of tacit knowledge into explicit knowledge leads to the diffusion of knowledge, which can then be build upon and incorporated back into tacit knowledge with all members of the organization. This is done through four processes: socialization, externalization, combination and internalization, as show in the figure below:

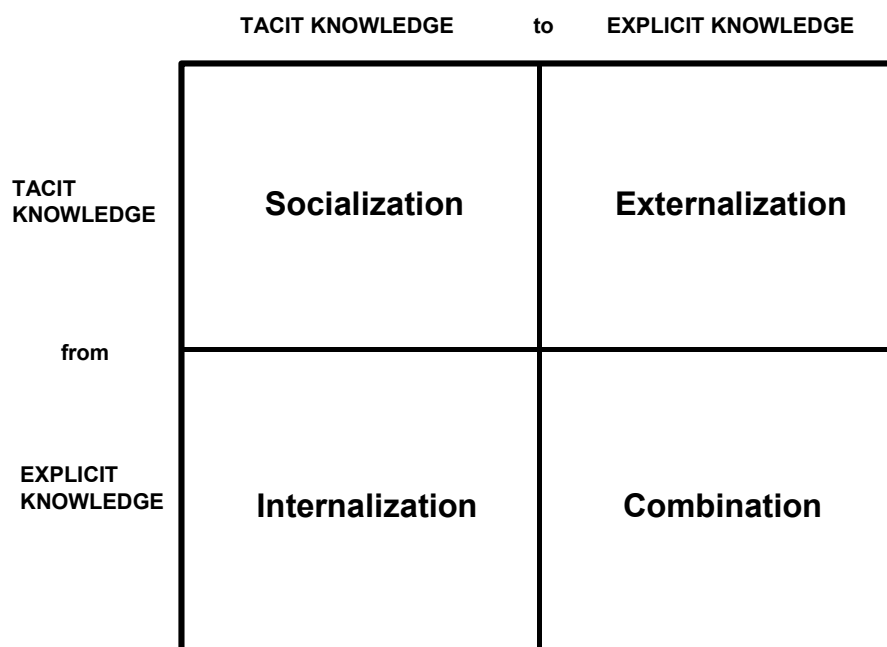


Figure 3: Four Modes of Knowledge Transfer

Source: Nonaka & Takeuchi (1995)

The figure illustrates the four processes by which knowledge can be transferred.

Transferring tacit knowledge from one person to another requires some kind of socialization, i.e. transferring without using language. A good example for this would be the way an apprentice learns from the master; by observation, imitation and practice. In a business setting this is similar to on-the-job training. Transfer of this kind is only possible if the persons involved in the

process have shared experiences as in the case of the apprentice and his master. Another alternative would be discussions in which experiences can be exchanged in a creative dialogue or interaction with customers or other groupings around the company.

The process of transferring tacit knowledge into explicit knowledge is called externalization. The definition of tacit knowledge is knowledge, which we have but cannot express. In an attempt to express this knowledge in language it helps to talk in metaphors, analogies or concepts. Since these forms are neither exactly telling the receiver what the sender is trying to convey to him/her, it demand some action on the receivers side. He/she has to reflect on what the sender is trying to tell and this process will encourage further interaction until both have the same knowledge. Nonaka & Takeuchi (1995) point out that it is in this interaction that new concepts are born.

Combination is the term used by Nonaka & Takuchi (1995) to explain how we transfer explicit knowledge between us. By using the different sources of explicit knowledge around us we combine our explicit knowledge, e.g. in education. By sorting, adding and categorizing explicit knowledge we create new knowledge. Breaking down company goals and visions to a new, operative goal is one example of combination done in a business setting.

The last process in Nonaka's & Takeuchi's (1995) model is internalization, the process of transferring explicit knowledge into implicit knowledge. This is what often also is referred to as learning by doing. Experiences internalized into one individual's tacit knowledge add to the own experiences; e.g. reading about other's experiences is a kind of indirect experience, which in this way is added to the person's tacit knowledge.

On the point of knowledge transfer, Nonaka & Takeuchi (1995) differ from Polanyi (1966). The latter sees a problem in the ideal picture of knowledge as something strictly objective, but in spite of this he thinks that the tacit knowledge cannot be transformed into explicit knowledge, objective

knowledge, and this explicit knowledge cannot be replaced by tacit knowledge. Knowledge consists of both dimensions and we cannot use exclusively one of the dimensions.

Nonaka and Takeuchi (1995) recognize the two sides of knowledge, which correspond with the division put forward by Kought & Zander (1992). On the one hand, we are working with knowledge that can be transferred without too much effort put into the process of transfer. On the other hand, we also use another kind of knowledge. This knowledge is just as valuable as the explicit knowledge, but it requires more effort to transfer. Nonaka & Takeuchi (1995) show different ways of transferring the knowledge and how this could be done in order to create new knowledge.

2.2.3 Embodied, Embrained...

One description of knowledge brought forward by Blackler (1995) is the result of reviewing the literature on organizational learning from the 1960s and onwards. He identifies five kinds of knowledge: Embrained knowledge, which is dependent of cognitive abilities and conceptual skills, it might also be expressed as knowledge about. Embodied knowledge is action oriented and implies knowledge of a situation rather than abstract rules of action. Encultured knowledge refers to achieving shared understanding within an organization and how this is a carrier of knowledge. Embedded knowledge resides in routines within an organization and encoded knowledge is informations conveyed in print or other medias.

Of these five kinds of knowledge, the encoded knowledge comes closest to what Kought and Zander (1992) view as information and Nonaka and Takeuchi (1995) terms explicit knowledge. The embrained, embodied, encultured and embedded however, all belong to that part of knowledge termed know-how (Kought & Zander 1992) or tacit (Nonaka & Takeuchi 1995).

Blackler (1995) uses four of the knowledge types he identified to characterize different organizations depending on which type of knowledge they most rely on: the expert dependent organization relies on embodied knowledge, the symbolic-analyst dependent organization relies on embrained knowledge, the knowledge-routinized organization relies on embedded knowledge, and the communication-intensive knowledge relies on encultured knowledge.

2.2.4 Know-What and Know-How

Another way to distinguish between different characteristics of knowledge is to separate knowledge orientations between “know-what”, “know-why”, “know-how” and “know-who” (Lundwall & Johnson 1994). Know-what, which might be understood as having information, and know why, understanding of scientific, causal explanations can be more easily detached from the individual and transferred to another individual. Know-how and know-who are more related to an individual of a specific organization and refers to applying earlier experiences and using networks.

Know-what and know-why represent the harder side of knowledge. It is easier to store and access it whenever necessary. Know-how and know-who, on the other hand are a part of the soft side of knowledge. These aspects of a person’s knowledge would prove hard to transfer to another individual.

2.3 Individual and Collective Knowledge

When talking about knowledge it could be useful to distinguish between the individual and the collective level. There are researchers who argue that without an individual level there can be no collective level. Some researchers argue that the collective level exists independently of the individual level. This is very much linked to the different views on knowledge, which are further discussed in the following section, 2.8 *Knowledge as an Asset or a Process*.

Individual knowledge can be split up into these three categories: information-based knowledge (know-what/explicit knowledge); experience-

based learning (know-how/implicit knowledge); and personal knowledge, i.e. artistic abilities (Løwendahl et al 2001). If we compare this with the different classification of knowledge presented above, we see that individual knowledge is not identical with tacit knowledge.

Løwendahl et al (2001) describe knowledge at the collective level as *“combinations of skills, routines, norms and values developed and shared by at least two employees working together, each employee’s individual knowledge, and the information available to them”* (Løwendahl et al 2001). Within the organization there are also social processes that will affect the collective knowledge and shape it (Alvesson 1993). Nonaka and Takeuchi (1995) define collective knowledge as knowledge shared by individuals. In fact, the model for knowledge transfer presented above refers to how knowledge can be transferred not only from tacit to explicit, but it implies that the tacit knowledge of the individual will be transferred into explicit knowledge thus available to the whole organization. This collective knowledge is diffused throughout the organization and then the individuals internalize it into their own tacit knowledge again and so it becomes a collective tacit knowledge.

Kought & Zander (1992) point out that any organization will develop a language or a code of their own. This language is part of the collective knowledge within the organization and it constitutes the key to the rest of the knowledge in the organization. It is through this language that the explicit knowledge will be transferred within the organization and, therefore, it will not be enough to read the reports etc, but you would also have to share the understanding of the organization to be able to fully interpret the knowledge conveyed in a report. This is interesting since it implies that even to understand the explicit knowledge in the organization, you would have to share some of the collective understanding, which is more of a tacit piece of knowledge. Entering an organization as a new member, you would have to first learn the code of the organization to then gain access to the explicit knowledge circulating in the organization.

2.4 Storing Knowledge

One of the dimensions as Løwendahl (2001) sees it is concerned with whether the knowledge is held by the individual or by the group. The difference is where the information is stored and how the members of the organization share it.

In a review of earlier research in the field of carriers of knowledge, Argote (2000) concludes that there are mainly four different carriers of knowledge within an organization. The relative importance of these repositories, will of course, vary depending on what kind of organization we are studying. The four repositories are:

- Individuals
- Organizations – in the form of structure
- Technology – developments in production technology
- Routines

Generally, Argote (2000) concludes that there are pros and cons with all the repositories. However, it could be useful to consider which kind of repository is best suited to carry a specific kind of knowledge since some kinds of knowledge as seen above are naturally stored in individuals/organizations. Individuals are the most effective media for acquiring and storing tacit knowledge and also for transferring tacit knowledge. However, one of the drawbacks with storing knowledge in individuals is that unless the organization is moving personnel or actively attempting to capture their knowledge, knowledge embedded in individuals is difficult to retain (Argote 2000).

2.5 Knowledge as an Asset or a Process

As mentioned in Chapter 1.1, *Why Knowledge Now*, one reason why we are talking about the importance of knowledge today is the rise of the resourced based view of the firm. Another reason is the post-modern perspectives on

organizations that have gained ground. The two schools differ in the way they view knowledge.

The resourced based view sees knowledge as an asset to be recognized and managed effectively. The organization is viewed as a mechanism to create and utilizing knowledge. Knowledge is in this approach a commodity, which can be transferred. This is basically the view taken in this thesis.

Researchers who view knowledge as a process do not see knowledge as an objective reality, but rather as a social construct, which is developed and maintained in social situation. They are influenced by the postmodern perspectives on organizations (Empson 2001).

2.6 Summary

In this chapter different ways of characterizing knowledge have been described. They all hold in common the fact that they are identifying some aspects of knowledge to transfer more readily. Henceforth, this kind of knowledge will be called explicit knowledge. Then there are some aspects of knowledge, which will be called tacit knowledge. This is the kind of knowledge, which we have, but find difficult to explain to others. Tacit knowledge is found not only in individuals but also in organizations, e.g. as encultured knowledge and stored in organizational culture and structures.

This study focuses on the transfer of tacit knowledge and for this purpose the model of Nonaka & Takeuchi (1995) will be used in the analysis to identify knowledge transfer between the employees at The Volvo Ocean Race. This model is often referred to and it provides a tool with which to analyze the reality. Further, I will use the knowledge category know-who in the analysis, since this in a simple way shows the link between knowledge and having a personal network and how in an organization you might use an other person's knowledge where your own knowledge fails you.

This chapter has touched upon both the organization and the individual as carrier of knowledge. It has been shown that knowledge can exist both on the individual and the collective level. Tacit and explicit knowledge exists on both levels. There are diverging ideas about whether the collective knowledge exists on its own or is simply made up of the individuals in the collective. It is, of course, not possible to fully neglect the collective side of knowledge in an organization. This thesis is, however, emphasizing the individuals as carrier of knowledge and how knowledge is transferred to and from individuals.

Finally, the reader was made familiar with the different discourses underlying knowledge management, depending on how you choose to view knowledge, either as something objective or something created in the context. It was stated that this study is conducted viewing knowledge as an object or an asset in the business setting.

3 The Volvo Ocean Race

This chapter provides the reader with some background information on The Volvo Ocean Race. The purpose is to enable the reader to easily follow the results from the interview study and the following discussion. If no other source is referred to, the information comes from The Volvo Ocean Race homepage (www.volvoceanrace.org) or from the interviews conducted at The Volvo Ocean Race headquarters.

3.1 The History of the Race

The first Whitbread Round the World race took place during 1973/74. The idea was born in 1971 that this sailing race around the world should be like “a race that would be considered the Mt. Everest of ocean racing” (www.volvoceanrace.com). From the beginning, it was already a dangerous and expensive adventure and put quite some strain on the organization. In the beginning of the 70s, not many private yachts had successfully rounded Cape Horn. There had been previous races, but they had ended catastrophically and were not the kind of events with which sponsors would like to be connected. Finding a sponsor proved to be a hard work, but finally the British Royal Navy volunteered to support the enterprise. Soon afterwards an old British brewing company, Whitbread, gave their support as well, and by mid-1973, the first Whitbread Round The World Race was ready to begin. On 8 September, 17 boats, carrying 167 crewmembers, crossed the starting line in Portsmouth Harbor.

Since then, the race has started every fourth year with a varying number of participating boats and legs to be sailed. During the first races the boats sailed four legs around the world. In the race 1989/90 there was an expansion of the numbers of legs (the distance from one port to another) to be sailed and for the first time the fleet sailed to North America. The reason behind this was mainly to increase the importance of the race in the US. In the present race there are a total of eight boats participating.

3.2 The Technical Development

During the first races the boats that participated were of different sizes and had different rigging. After the race in 1989/90, a standard boat was developed, the so-called Whitbread 60. In the race 1993/94 the Whitbread 60 boats raced in one class and there was also a smaller class of Maxi boats, but in the following race, 1997/98, there were only the Whitbread 60 boats in the race. This, of course, contributed to making it a more even run with harder competition all way through.

The technological level has changed over the years and today completely different technical solutions are at the disposal of the crews. During the first races the boats were larger than today's boats are, offering a higher comfort to the crew. Today the boats are pure racing boats, with little comfort to the crewmembers. Also, the crews have changed from being skilled amateurs to being professional sailors with a sophisticatedly equipped shore team (Hedman 1999).

Another development has been within the communications between the boats and between boat and shore crews. IT has revolutionized the possibilities of communication and security surveillance of the boats. This also affects the possibilities for bringing the race to the public. In the beginning, the media coverage was mainly concentrating on the time when the teams were in port. This was due to technical limitations. Until the boats were within helicopter range of the mainland there was little news from the boats and the main media occasion was when the boats sailed into and left the harbors and the time they spent there. The news from the actual sailing could only be distributed days after the event had taken place. With the 1997/98 race this changed. Using satellite uplinks from each boat, GPS position reports, email, audio reports and video could be sent directly from the boats to the fans via the official Internet Web site. Now it was possible to follow the boats while sailing and the focus of the media could be with

the real action. The current race draws on all possibilities IT offers to show all aspects of the race to the spectators on Internet, TV and in magazines.

3.3 The Syndicates

The syndicate is the organization finding and servicing the sponsors that together finance the teams. From a Swedish point of view, it has been the same syndicate behind several of the well-known boats that have started in the race during the past years. The syndicate builds the boat, recruits a skipper and the crew, and organizes the infrastructure needed to go with the boat around the world. The sponsors get the opportunity to use the boat and the team as a platform for PR activities, internal marketing as a and carrier of advertisement.

3.4 The Stopovers

The number of stopovers has varied over the year along with the number of legs. In the first races there were only four legs and so there were three stopovers. In the 2001/02 race there are eight stopovers carefully selected by The Volvo Ocean Race Headquarters.

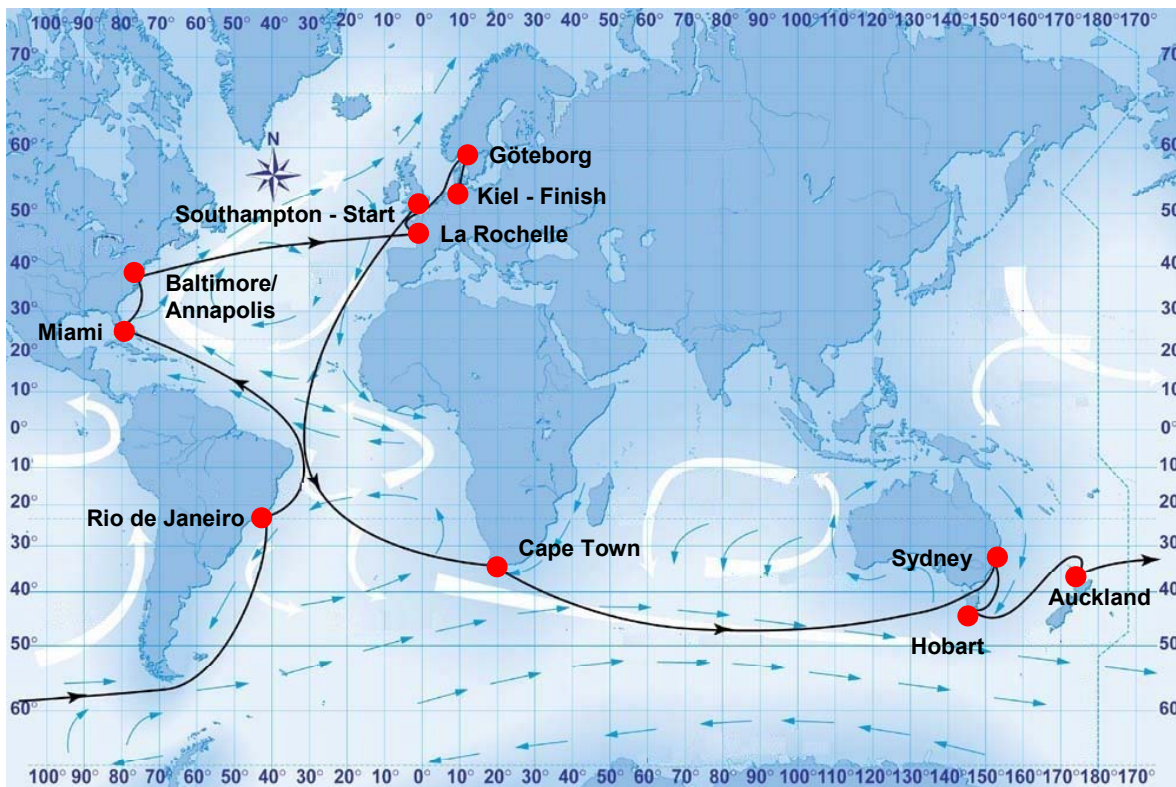


Figure 4: The Legs in The Volvo Ocean Race 2001/02

The map shows by which route the boats will sail around the oceans and which ports they will stop over in.

When in port the organizers of the specific stopovers have arranged a program of events. For the teams this is the opportunity to get a few days off, eat proper food and get proper sleep. It is also time to do repairs and tend to the boat. The syndicates can also use this as a PR opportunity. During the Whitbread days this was not such a developed area of the race, but in The Volvo Ocean Race this area has developed and become more structured.

3.5 The Organization

The race is organized from the headquarters outside Southampton. The Volvo Ocean Race is a part of Volvo Event Management, the other offices being located in Brussels and Gothenburg. the race is organized and run

from the office outside Southampton. The communication with the boats while sailing is monitored from the operations room and the material for TV, radio, Internet, etc. is produced in the media center. It is also here in the headquarters that the operations continue after the finish of the race and the following race is prepared. The employees are divided into loose work groups following the areas of the race they are occupied with, e.g. the events group, the media group, etc. A more detailed analysis of the organization is provided in the following chapter.

The Volvo Ocean Race is responsible for the logistics around the race and between the ports, sponsoring, safety, the race itself, the selection of the ports and regular contact with them. The sportive side of the race is organized by the Organizing Committee, including representatives from all the different aspects of the sailing.

3.6 Summary

In this chapter the reader has been familiarized with the scope of the race and how it has developed both on the media side and on the sailing side. Further, some basic terms, such as stopover and syndicates have been explained so as to make it easier for the reader to follow the discussion in the following chapters. The next chapter will deal the organization and show how it goes through two phases during the work with one race.

4 Two Phases in the Organization

In this chapter the organization is further discussed. Two phases are identified and the differences in working with knowledge are outline. An explanation to the differences is offered in the form of organizational slack.

4.1 Different Views on Knowledge Transfer in the Organization

After a few interviews it was obvious that the ideas on the knowledge transfer in the organization diverged. Some respondents explain how they work with knowledge transfer within the group and some tell me that the transfer is basically a one way transfer, those who enter the organization on a short-term are learning as fast as they can how the organization and its environment works as to be able to be operational as soon as possible.

The different perceptions on knowledge transfer can be explained by viewing the organization as a project constantly starting all over again, the finishing of one race announcing the beginning of the preparations for the next race. In this way The Volvo Ocean Race is basically not different from any other project organizations where and similar to other project organization there are different phases (Christensen & Kreiner 1998), which will be further developed on in this chapter.

4.1.1 The First Phase

The first phase is the one during which the race is prepared, sponsors are tied to the race, syndicates are build up and the stopovers are decided on, etc. In this phase, the number of employees at The Volvo Ocean Race headquarters are around eight. In this organization, which I will call the core organization, knowledge transfer has been carefully planned and performed as can be seen in the case of the knowledge transfer during the transition from the Whitbread organization to become a Volvo Ocean Race organization. Talking to the CEO of The Volvo Ocean Race, it becomes

obvious that the consequences of so-called brain drain were thought of in advance. One example is the location of the Ocean House in Southampton, Great Britain. It was a deliberate decision to keep the headquarters in Southampton, where it was located during the Whitbread days and not move it to, e.g. Gothenburg, where the headquarters of Volvo Car Corporation are and other parts of Volvo Event Management are located. Helge Alten gives a very detailed description of what kind of knowledge Volvo brought with them from the Whitbread organization. On the whole, it gives the impression of an organization working ambitiously with knowledge management. This is also confirmed when talking to the employees belonging to this core organization. They mention plans they have developed in their own working group in order to not become too dependent on the knowledge of one person and how they try to share their own knowledge with their assistants and build in follow up mechanisms into their operations. Also, the work with related organizations is based on careful designs aiming at knowledge transfer.

In transforming the organization into a Volvo organization much emphasis was put on creating one team, not a Whitbread team working with some new people from Volvo. Quite early on, a vision for The Volvo Ocean Race was established. This was then communicated to everybody in the core group. They discussed what Volvo is, what Volvo wants to get out of the race and how it will use it, how the race affects Volvo as a brand, passively or dynamically, etc. At the same time, emphasis was put on the idea that everybody was a member of one team working to meet this vision.

4.1.2 The Second Phase

The organization enters into the second phase as the race draws nearer, and operations intensify and new employees are welcomed aboard. It is characterized by a frenzy of actions. If the first phase is more about planning and trying to foresee, this is the phase where all plans are put into action. The last preparations have to be made, the first ports have to get ready to

host the sailors, sponsors, etc. coming to their city, the boats are measured in and everything has to work as intended. Finally, the race starts.

In the beginning of this phase the newcomers in the organization have to orient themselves. As will be further described in Chapter 5, *Three Enablers*, this is basically done by asking questions, watching others work and on the job training. As the initial period is over, the pace of work is still very high. During this phase the employees are very much working in groups focusing on one area of the race. Within this area there is a kind of unintended knowledge transfer, simply from working shoulder-by-shoulder. A careful planning of knowledge management and how to take advantage of the knowledge brought into the organization by newcomers and how to ensure that this knowledge stays within the organization as the newcomers leave again, is not as obvious in this phase when compared to the first phase. There is, of course, a knowledge transfer from the members of the core organization to the newcomers, in order for the latter to be able to conduct their work. However, with one exception no one indicated that the previous experience of newcomers was drawn on to help the group. They, themselves, though thought that their own experience helped them in performing their work at The Volvo Ocean Race. There appears to be a one-way knowledge transfer during the second phase, as opposed to the first phase where the knowledge transfer works in all directions.

The work with incorporating the vision of The Volvo Ocean Race went on also during the beginning of the second phase, but due to the speed which with the organization grew from eight to ten, to fifteen to thirty-five people, the vision probably did not get through to everybody, Helge Alten concludes. This also shows when talking to the newcomers, they point out that it sometimes can be difficult to see the whole picture. They know that their actions and the decisions they make affect the other areas of the race as well, but there is a tendency of working in an insular fashion. To the newcomers the organization appears as small units operating on their own, without much a feeling of working as a unified team, but rather that of being

brought in to do a specific job and then leave. This is a clear and sharp contrast to the members of the core organization, who to a larger degree seem to feel that they are working together following the vision of The Volvo Ocean Race.

Blackler (1995) points out that the emphasis today is more on the knowledge located in brains, dialogue and symbols, i.e. embrained, encultured and encoded knowledge, and not so much on the knowledge located in bodies and routines, i.e. embodied and embedded knowledge. He sees the explanation of this partly in the change in the relationship between knowledge and economic success as described by Drucker (1995). Drucker (1995) claims that today we are developing, not technologies or work methods, but knowledge to be applied on knowledge; i.e. the kind of knowledge that Blackler refers to as embrained and encultured knowledge. This means that productivity is becoming dependent on the use of knowledge in an efficient way and on the contribution of specialists. A knowledge worker, according to Drucker (1995), is different, not only because of his/her high level of education, but also because he/she owns the means of production. To ensure that these resources are employed as the organization wishes, the organization can put an emphasis on a strong culture and create a common picture of what the organization stands for; a shared mental model (Senge 1990, Ylinenpää & Niklasson 2000). To a certain extent this has been done at The Volvo Ocean Race. However, as Helge Alten himself points out, this has been successful only among those few who belong to the core of the organization. Those who joined the organization shortly before the start of the race did simply not have time to grasp the whole picture and fully understand what Volvo wants with the race. This could be a drawback, especially since The Volvo Ocean Race is dependent on these persons' knowledge and how they employ their earlier experience and combine it with what they learn at The Volvo Ocean Race to perform their task.

4.2 The Importance of Slack

The two phases of work, which could be called a planning phase, and an operational phase would explain why the views on knowledge transfer differ between the individuals. During the planning phase there is plenty of time to go through detailed knowledge transfer processes. In the operational phase, however, the sheer intensity makes this appear to be a matter of minor importance. Hence, members of the organization entering during the second phase will not realize the efforts in this field during the first phase, but only perceive a lack of knowledge transfer and communicate this when being questioned about it.

Having recognized the differences between these two phases it is time to turn back to the model developed by Nonaka & Takeuchi (1995) and look at the process during the second phase, adding in the factor of slack in organizations. There is a lot of transferring of tacit knowledge from one individual to another by way of working close to each other. On the other hand, the other processes take place at such a speed that they are not recognized and used properly. The sheer intensity of the daily operations makes it almost impossible to perform this kind of knowledge transfer in a reflective way. To some extent, it would appear to happen spontaneously as a result of trying to solve some problems. By drawing on everybody's experience it is possible to go through the steps in the Nonaka & Takeuchi model and find a new solution. The planned work with knowledge recognizable in the first phase is not, however, visible in the second phase. Nonaka & Takeuchi (1995) mention the importance of slack in an organization to be able to be innovative along the patterns laid down in their model. The lack of slack is obvious in The Volvo Ocean Race organization. During the first phase some amount of slack is present and gives room to work with retaining and transfer knowledge. In the second phase however, there is almost no slack at all, the operations are simply too intensive and the knowledge transfer is rather accidental. According to the model of Nonaka & Takeuchi (1995), there is an obvious risk that knowledge, which could be of value during the next planning process, might not be retained. This could

mean unnecessary work in the next race, forcing the organization to invent the wheel all over again.

However, this solution is not really satisfactory. It does not seem plausible that so much emphasis is put on sharing knowledge during the planning phase only to totally drop this in the operational phase. Therefore, this is a topic that I have to come back to, but first it is necessary to see by which means the organization transfers knowledge.

4.3 Summary

The two phases in the organization, the planning phase and the operational phase are affecting the way the employees view the knowledge transfer. On the one hand, Helge Alten is aware of the organization's dependency on knowledge embedded in the employees and is clearly trying to make sure that the knowledge available is managed in an efficient way and that there is no unnecessary loss of knowledge in organization. On the other hand, a person entering the organization during the second phase perceive basically a one way knowledge transfer. One explanation is the absence of slack in the organization during the second phase. However, this does not mean that there is no knowledge transfer in the second phase. In the following chapter the transfer of knowledge between the employees in the two phases is presented.

5 Three Enablers of Knowledge Transfer

In this chapter the reader will find a discussion on the knowledge transfer and how it comes about in the organization. Three enablers are identified and together with the three questions posed in Chapter 1.3.4, The Aim of This Study, they are at the base of the discussion. At the end of this chapter, the reader will find a discussion linking back to the previous chapter, comparing the knowledge transfer in the two phases.

5.1 Introduction

The Volvo Ocean Race basically works with three enablers to realize a knowledge transfer within their own organization and those organizations attached to it:

- Know-who – using networks
- Informal knowledge transfer – sharing by chatting
- Learning by watching *and* using earlier own experiences

These three enablers will be used when discussing the questions put forward in Chapter 1.3.4, *The Aim of This Study*. The first one, *know-who – networks*, partly answers all three questions, the other areas are mainly answering the second question on how the individuals in the organization perceive the knowledge transfer in the organization.

5.2 Know-Who – Using Networks

5.2.1 Know-Who – Using Networks as Enabler

The first enabler of knowledge transfer is *know-who – using networks*. The networks are of both an organizational and a personal kind. A newcomer in the organization would have very little time to build up a network on his/her own and, therefore, it is vital to be able to profit from others' networks. These networks are vital to transfer the knowledge from the related organizations into the headquarters of The Volvo Ocean Race.

5.2.2 How did The Volvo Ocean Race Ensure it Did Not Lose Knowledge When Taking Over the Race?

When talking to Helge Alten, the Chief Executive of The Volvo Ocean Race, I understood that the knowledge transfer and knowledge management were something that they had put a lot of effort into starting from the moment when Volvo decided to buy the race in 1997.

My first question was about how The Volvo Ocean Race made sure not to lose knowledge when they bought the race. Practically, this was solved by using the knowledge embedded in people, who were not taken over as Volvo bought the race organization have to some extent been retained in the Organizing Committee, the group organizing the sailing aspects of the race. The Organizing Committee has been chaired by the former Chief Executive, ensuring that his knowledge would be within reach. Here we also find the experience of other groups involved into the race, e.g. designers, sailors and media. In the last three years it has been chaired by the former Chief Executive from Whitbread Round the World. Through this group, knowledge is brought into the organization from outside. It is not a part of The Volvo Ocean Race organization per se, but very closely tied to it.

A second step in the process of retaining the knowledge from the Whitbread organization was to consider which key persons The Volvo Ocean Race wanted to keep. Among those who stayed with the new organization were the two secretaries, because as Helge Alten puts it:

'They know. They know exactly which contact persons and they know the race from their side of it.' [emphasis in original]

Hence, the work with retaining knowledge was done by working with a network of people related to the race, e.g. in the form of the Organizing Committee, but also through keeping regular contact with related organizations, e.g. those stopovers that have been hosting the race in earlier years. The organization around The Volvo Ocean Race is much larger than

simply the people at the headquarters. As shown in Chapter 3, *The Volvo Ocean Race*, there are many more actors necessary to realize the race every fourth year. It has been important to The Volvo Ocean Race that every stakeholder has been involved into the process of preparing for the race. This is reflected in the meetings held together with representatives from stopovers, syndicates, the companies behind the syndicates, sponsors, etc. The Volvo Ocean Race strived to keep the network that was already build up by the Whitbread organization and has also been keen not lose any knowledge from the old organization that they thought they could need themselves.

Network organizations or imaginary organizations, need a strong central leader, an individual or a group of people, driven by a willingness to act according to a strategic plan laid down by the leader (Hedberg et al 1997). By seeing their own potential and limitations, the leader can create an organization larger than the own core organization and extending over the boundaries of the own organization.

In the imaginary organization described by Hedberg et al (1997), the organization is created around a market. The partners are inspired to collaborate around a certain customer group. Their model is developed for a producing company or, with some adjustments to the model, it could also fit a service company. The Volvo Ocean Race is a somewhat different organization, but the ideas of the Imaginary Organization still apply. It is not very easy to determine who the customer might be. The consumer is the audience following the race via Internet, E-mail, Magazines and TV. They are the receiver of the commercial messages carried by the boats, which are financing the contesting teams. The organization at The Volvo Ocean Race headquarters have as their vision *to attract, excite and inspire a global audience* and make The Volvo Ocean Race a good marketing tool for all stakeholders in the race. These stakeholders are the companies sponsoring the teams, the sponsors of the race, including Volvo, and finally the sponsors of the stopovers. The role of The Volvo Ocean Race headquarters is to coordinate

the actors in the organization around the race to live up to the vision. To do this, they have tied a number of key persons in each area to their own organization. The core of The Volvo Ocean Race organization consists of people from the different areas, including media, sponsors, sailing, events and logistics.

5.2.3 How Do the Individuals Within the Organization Perceive the Knowledge Transfer?

The people interviewed constantly come back to this when asked how they can learn from their colleagues: they ask and they discuss. When problems arise they know who to ask, who might have the knowledge they themselves lack, and who could bring them further.

“Certainly, before you turn outside for any assistance there is a lot of experience in this office in a lot of different fields, so I think there are enough people here to solve most problems. “

”Probably the first person I would speak to is my colleague,/.../ As a team we discuss any challenges we find within the project we’re working with. We do that regularly.”

The know-who is almost as important as know-how. Entering the organization, especially those who enter the organizations rather late in the preparations for the race, are dependent on pretty soon figuring out whom to ask about what. Then as one interviewee, who has been in the organization for a very long time, pointed out to me it is not possible in such a short time to get to know everyone that you need to know. This means, of course, that knowing who knows what within the own organization becomes even more important, since you will obviously need to rely on these people and their know-who. People who have been with the organization for a longer time also refer to colleagues who have done even more races. Explicit knowledge is of course valuable, but in general the people I talked to frequently referred to other people as key persons in one area and the know-how of individuals is highly valued and generally recognized. This could be pictured as a library of the knowledge in the organization. You do not have

to know everything yourself, but you have to get access to the library catalogue by learning who knows what.


It was pointed out to me that it would be difficult for a work group if there was nobody in that group that had any previous experience of The Volvo Ocean Race or similar. This proved to be true when talking to one employee, who found himself constituting a work group more or less on his own and having only his experience from Volvo to fall back upon. His main advantage was however that he is familiar with the resources available within Volvo and where he could apply for advice or assistance from different Volvo departments.

5.2.4 What is the Organization Looking for When Hiring New Personnel and How Does it Find Them?

The network constituted by the entire racing industry is drawn upon when it comes to recruiting. Most people that have entered the organization since it became The Volvo Ocean Race have a background in either the racing industry or in Volvo. One good example of how the business forms a network form which to recruit, would be the manager of logistics. He had been working with sailing races in New Zealand before starting to work for one of the syndicates during two earlier races. In between the races, he has managed the New Zealand Olympic team in sailing and three Admiral's Cup teams. As he puts it himself, managing the logistics for The Volvo Ocean Race is simply a matter of changing hats and looking at the event in a slightly different way. Although he is relatively new to The Volvo Ocean Race organization he has a good understanding of the race and has, in his own opinion, not had a very steep learning curve. Instead of having to go around asking questions, he has been one of the persons people come to with their questions. There are, however, examples of employees that have neither Volvo nor sailing backgrounds. They basically appear to be found in the media team, where their skills in media are rated more important than having a background in sailing.

Talking to Helge Alten, he explains the access to the industry and how it can provide the organization with the experience it needs in the following way, taking the press group as an example:

Some from the press group will probably go on working with America's Cup, which starts 2002 and they will work with America's Cup until 2003 and then we have to ask ourselves: "Do we want them when they are done?" There is a group working in the industry and the industry itself is different sailing events, which they work with. Therefore, it is not strange if they circulate, leaving and coming back. It is the unique competence we want to keep. What is important to us and what can we let go, but bring back when we need it?


The recruitment of experienced employees is apparently not perceived as a major problem within the industry. Some expertise is, however, considered as more important and necessary to keep within the organization. One such competence mentioned by Helge Alten was the web group. Their competence is not as reaccessible, since they could work with Internet anywhere and not only  connection to a sailing event.

5.3 Informal Knowledge Transfer – Sharing by Chatting

The third enabler of knowledge transfer I call *sharing by chatting*. It refers to the informal working environment both at the office but also in meetings with other stakeholders. Knowledge is transferred by asking questions and watching others go about their work. There is a general feeling that there is a sharing atmosphere in the office and this appears to be one of the major facilitators of knowledge transfer within The Volvo Ocean Race. During talks it was often pointed out how important the informal exchange with colleagues, partners or others was to understanding how they work and being able to learn from it.

Talking to Helge Alten, I understood that he was strongly in favor of physically meeting the people that you wish to learn something from. As he puts it:

“But I think the way we have worked with knowledge transfer is to make people physically meet. Because it has proved itself that you learn almost more when there is no structure to a meeting, when talking in the evening ‘How did you do this?’ Well, then you learn from each other.”

As Ylinenpää & Nilson (2000) point out, there are both formal and informal medias for transferring knowledge. A formal media could be a fax, a report, manuals and formal forums for exchange. Examples of informal medias are networks, peer-to-peer discussions or informal meetings, e.g. coffee breaks. There are also those medias for exchange that have both aspects, they can be both formal and informal, such as a meeting. During  the scheduled time you will encounter the more formal type of knowledge transfer. This is mostly one-way communication where one person tells about his/her experiences, perhaps answering questions, but this is a formal arena or platform and basically a one-way communication. During breaks, dinner, before and after the meeting are spaces of time where informal transfer might come into use and this is what, according to Helge Alten, has been so important to The Volvo Ocean Race organization. You get opportunities to go into depth and learn from each other's experiences. One case where this technique has been used and to which Helge Alten is mainly referring is the knowledge transfer between the stopover ports. Some of them are new as stopovers and some of them have a longer experience of hosting a stopover in The Volvo Ocean Race. The idea was to quickly make these ports just as good as those that had the advantage of experience.

“And so it is important that those four [referring to the four ports that are new in this race] could draw on the knowledge from the others and that was one of the reasons why we all had two three day meetings when they had the opportunity to discuss and present how it will be, ‘what events we will have, how are we financing ourselves’ and they learned from

each other. Not only learned but also perhaps learned from the best ideas and brought these with them back home.”

Ylinenpää & Nilson (2000) find in their case study on knowledge management in consulting companies, that although the employees in their case companies have the means to transfer knowledge through formal channels they prefer the informal channels. This is especially true when it comes to tacit knowledge. This is also consistent with the views of Nonaka & Takeuchi (1995) that tacit knowledge transfers through externalization, e.g. in the form of discussions. Helge Alten points out to me the example given above with the stopover, but indicates that this is the way he likes the whole organization to work.

In other studies (Argote 2000) it has been shown that physically moving a work team from the site where they have developed a good working practice/technique, to the site that should adopt this new practice is the most effective way of transferring knowledge. A meeting as an informal platform could possibly work to the same effect.

Also, within the organization the emphasis seems to be on informal platforms. The layout of the office encourages exchange between colleagues. The first thing that struck me when entering the Ocean House was that no body seems to be sitting at their desks, but most of the time they will be moving around talking to colleagues, leaning over a computer screen or talking in pairs or small groups. My expectations of finding an office where people were constantly on the phone talking to somebody connected to the race but not in the building but rather a member of the various other organizations connected to the race, such as the syndicates or port organizations, did only partly prove to be true. Instead of finding them communicating outside the office like a hub in the wheel, they are just as much communicating internally asking questions, checking that the plans of their own work team are not counteracting other teams plans.

5.4 Learning by Watching and Using Earlier Experiences

One way of explaining the knowledge transfer at The Volvo Ocean Race would probably be to say that they are learning by watching, asking and doing.

“So I think a lot of it is just /.../ sitting back, watching and learning and, you know, just sort of asking questions. Just literally sort of seeing how the different events ran. /.../ we didn’t want to come in and go “right what are you doing? Give us all your plans” You can’t do it like that.”

Entering the organization you get to know it and the environment by learning by doing. At the same time, you cannot do this without using your own previous experience. In the recruitment phase this seems to be considered. Especially in the later phase of recruiting, shortly before the race starts, people are hired to perform a special task, drawing on their earlier experience. They have a fairly short introduction time and have to be operational within months. This indicates that it is difficult to enter the organization with no previous understanding of the task at hand, either from working with the specific task earlier or from working with The Volvo Ocean Race or some similar organization. Therefore, the second enabler must be *learning by watching* and *using your own earlier experience*, which results in a mix of earlier experience and what you can learn from others. Learning only from others is not possible, however, learning something from others is necessary.

Nonaka and Takeuchi (1995) call the process of transferring tacit knowledge from one individual to another socialization. The key they say to tacit knowledge is experience and an increase in shared experiences will make it easier to transfer tacit knowledge. When two people share a reference frame and relate in a similar way to a situation, it will be easier to project the knowledge, which could be seen as part of the individuals self into another individual. One way of performing this transfer is to work together with

somebody more experienced in an apprenticeshiplike form. Løwendahl et al (2001) further emphasize this stating that information-based knowledge can readily be shared, stored and transferred through an IT-system or similar. The experience based, tacit knowledge, however, if it cannot be made explicit, can only be transferred and shared through interpersonal interaction, e.g. apprenticeships, mentoring or working together with more experienced colleagues.

At The Volvo Ocean Race most people are working in a team with some people having a longer experience from the organization and some coming in during the race to assist. These people will have a few months at the beginning of the employment where they are forced to learn by watching, asking and doing, very similar to an apprenticeship. One of the respondents, who has been working with various assignments during his career said that he had never had to learn so many new things in such a short time before. It was a quite new experience to him. The way he had to do it was to ask questions of those he thought might know the answer, both internally and externally, e.g. law firm or departments working with the same issues within Volvo.

Most people I talked to said that they used a combination of asking questions and learning by doing, using their own earlier experiences. That is, they work by using their own experience from similar tasks in other organizations and combining these with the experiences of those who have worked with the race organization for a longer time.

When asked how they would proceed if they encounter a problem they themselves cannot solve, they all said they would talk to someone in their work team, or somebody who has done a race before and has more experience, the names frequently mentioned by everybody were those people who work with the race also between the races.

No one mentioned anything like an intranet, possibly because they do not refer to it as an intranet, it is rather a database with useful information about contact persons etc. However, this information is apparently rarely considered more useful than directly asking people. As mentioned earlier, prior to visiting the Ocean House I had divided the persons working there into two groups: one who had worked for the organization since the Whitbread days, which I thought of as old employees; and another group that had joined the organization since Volvo took over and were new employees. I soon found that this division of the employees did not work in reality. It was rather a division into two groups according to who was working with the race the whole time, and those who were working with the race only immediately before and during the race. The peoples in the last group would probably recognize themselves in the respondent mentioned above learning a lot in a very short time and mostly by asking questions, watching and doing.

5.5 The Enablers at Work

Earlier in this chapter, the three enablers were presented without any specific reference to how they are used during the two phases of the organizational cycle made up by one race. Basically, all three enablers are used in the two phases, but they are adapted to the conditions characterizing each phase as will be shown below.

The main difference between knowledge transfer has already been pointed out in Chapter 4, *Two Phases in the Organization*. The planning phase is characterized by preparations for the race. This also includes preparations for attaining the knowledge needed. Thus, *know-who – using networks* is one of the most important enablers at work during this phase. It is via the networks that the newcomers can be found and introduced to the organization. Above all, this is the phase where the networks are being built. It takes time to build up a network and it is easier to take the time to get to know people you meet during the first phase when pressure is not so high. During the second

phase, the networks built up earlier can be drawn upon. It is however, as pointed out in Chapter 5.2.2, *How Did The Volvo Ocean Race Ensure it Did Not Lose Knowledge When Taking Over the Race?*, difficult to enter the organization as a newcomer and in very short time build up an extensive personal network.

Learning by doing and at the same time using one's own earlier experiences is probably useful in both phases but it is more obviously used by the newcomers upon entering the organization. Entering into the core organization the employees have had the advantage of taking part in a carefully prepared introduction as described in Chapter 4.1.1, *The First Phase*. The newcomers, entering during a more hectic time get the same information, but not always under the same conditions and to a larger extent are relying on watching and learning by doing. At the same time, their earlier experiences from other organizations will be more important to the newcomers to guide them in how to perform their tasks and these previous experiences will also be the reason why they have been hired.

The sharing atmosphere and the habit of sharing knowledge through informal channels will be established by management in the first phase and used as a routine during the second phase. Emphasizing the value of informal exchange and creating arenas for sharing by chatting will establish this enabler within the organization.

5.6 Summary

In this chapter the means by which knowledge is transferred, both within the organization and between related organizations, have been presented. These three enablers are *know-who – using networks*, *informal knowledge transfer – sharing by chatting*, and *learning by watching and using earlier own experiences*.

The enablers are used during both phases in the organizational cycle, but sometimes in different ways and to different extent depending on the

situation. In the following chapter, the conclusions of this study are presented.

6 Conclusion

In this chapter the discussions from the previous chapters are tied together. The chapter ends with some suggestions for further studies in this field.

6.1 Working With Knowledge

As shown in earlier chapters, the first phase of this organization is characterized by planning. In this planning phase not only the sailing and the events are planned, but also the work processes during the sailing race. Among other processes, knowledge management is considered and actions are taken, which can easily be recognized as aiming towards knowledge transfer by those involved. An example of this could be large meetings where people come together, get the opportunity to build up networks, and exchange knowledge on an informal basis.

At first I had difficulties seeing how the organization works with knowledge transfer during the second phase. I could only find indications that the organization does transfer knowledge but no grand scheme underlying this as often described in literature. The knowledge transfer taking place during the second phase is usually not covered in literature on knowledge management, where mostly the knowledge transfer found in the planning process is described.

At first glance, therefore, the second phase appears to hold a lack of activities aiming at transferring knowledge. One explanation is the lack of organizational slack, but this is not the whole truth. In my opinion, the lack of organizational slack is in a way anticipated and compensated for in the form of establishing the three enablers of knowledge transfer mentioned in the previous chapter. These three enablers are natural parts of every day work routine. Compared to a meeting with over 100 participants, your ordinary work routine will not attract your notice as much; hence, few persons in the organization recognize this as a type of knowledge transfer.

Consequently, without the preparations during the first phase, there would definitely be a lesser degree of knowledge transfer in the second phase. What appears to be simply happening, is actually happening thanks to the routines established during the first phase, when the organization still is small and easier to affect.

6.2 Further Studies

During the work with this thesis, interesting questions have been encountered but due to the limitations of this study, they could not be covered in this thesis. However, they would definitely be interesting to investigate further. One such question touches on whether the findings in this study are specific to this organization or if this is a general phenomenon, which can be observed in other project organizations as well.

A further topic, which would be interesting to learn more about, is the way this industry works and how they use the network. The network obviously plays an important role for knowledge transfer between individuals but also for learning from other event organizing headquarters. By partly using the same people to perform similar tasks in many different events, there is a pool of knowledge in this network of people surrounding the sailing events, but also other events of similar character, e.g. Formula One.

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Lizzie Green, Race Press Officer

Sandry Koo, Events Manager

Anders Löfgren, Commercial Director

Appendix

Research Approach

Case Study

The thesis is based on a case study of a knowledge intensive company in an industry where the workforce is constantly moving from one event to the next and frequently changing organization. According to Yin (1994), a case study contributes uniquely to our knowledge of individual, organizations, social and political phenomena. The need for case studies arises out of the desire to understand complex social phenomena. A case study allows researchers to investigate and to retain holistic and meaningful characteristics of real-life events, e.g. managerial processes. A case study is useful when trying to answer *how* questions or questions dealing with operational links needing to be traced over time.

The purpose of the study is to explore and analyse how this organization is working with the knowledge embedded in the people. In doing so, the study aims at finding new answers to how the theory applies to the complex context made up by this organization. For this purpose, a case study is motivated by the need to understand the conditions for this special organization and how it relates to the environment. To answer the research questions, a case study can provide a deeper understanding than a survey study would have done.

No hypothesis was developed before doing the interviews. Rather, the data was collected and then combined to give a full picture of the organization. From this picture, the patterns of the work with knowledge transfer was detected and formulated.

Delimitations

As pointed out earlier, the case organization is closely related to a number of other organizations and co-exists with these in a network organization with the race itself and the spectators as a common denominator. This study is, however, limited to the core organization, The Volvo Ocean Race headquarters in Southampton. A further delimitation is that this study does not deal with that part of the organization working with the sailing side of the race due to lack of access. This is also true for most parts of the media group.

Data Collection

This study uses primary data collected through interviews. The data was collected through interviews at The Volvo Ocean Race headquarters in Southampton, Great Britain in October shortly after the start of the race. It is considered an advantage to meet in person when interviewing, because this makes the situation less impersonal on both sides. When meeting face-to-face, it is possible to create a more relaxed atmosphere compared to a telephone interview. The interviewer also has access to the respondent's body language and mimics, which can prove valuable in interpreting what the respondent says (Ghauri et al 1995). Further, the interview situation becomes interactive compared to a printed question form and it is possible to rephrase the question and reschedule the questions in the interview guide as the discussion evolves. Since interviewer and respondent are both strangers to each other this will probably affect the interview situation. One way of overcoming this is to start the interview by asking for some individual data. In the interview situation in this study, fellow colleagues who had already been interviewed introduced the respondents to the interviewer, which helped ease up the first awkward minutes of the interview. The first question posed to the respondent was to describe his/her background and what he/she was working with at The Volvo Ocean Race headquarters, which normally broke the ice.

I had the advantage of using a small conference room at The Volvo Ocean Race headquarters where the interview could be conducted without the

respondent's attention being drawn upon by telephones or other employees. This is true for all interviews but two, during which we were interrupted from other colleagues and in these cases some valuable ideas might have been lost, but in general, the interviewer and the respondent both managed to pick up the line of thought again.

During the interviews the conversation was recorded. The advantage of recording is that the interviewer is free to listen to what the respondent is saying and can take in not only what he/she is saying but also observe body language and mimic. The disadvantage is that a recording of the interview could make the respondent nervous and he/she might watch their tongue more carefully than otherwise. Other problems are that the interviewer can become too relaxed and stop listening to what the respondent is saying or the equipment fails and is not recording the conversation. In this case the advantages were considered stronger than the disadvantages. The prevailing response to the question if it was all right to record the conversation was astonishment at the recording technique (a Mini Disc player) and none of the respondents asked not to be recorded.

It is important to remember that in interviews the respondent will speak his/her mind on the topic. This is not an objective account of the organization. Also, it is not the official view of the company on the specific topic. Therefore, it can only be treated as a subjective view. However, it is very difficult to measure knowledge transfer and, therefore, I have in this study had to rely on the subjective views of the respondents and my own ability to compare them with each other and from this see the whole picture of knowledge transfer within the organization.

Interview Technique

Research interviews are generally characterised by two groups of interviews. Firstly, the standardized interviews usually used in a survey study, where the emphasis is put on using the answers for quantitative measures (Ghauri et al 1995). Secondly, the unstructured interview, where the respondent is given

almost full freedom to discuss reactions, opinions and behaviour on a particular issue.

A third interview technique is the semi-structured interview. Here the interviewer has a more structured approach towards whom to interview, what topics to cover and what questions to ask. For this study, a semi-structured interview guide with open-ended questions was used. The purpose was that the respondent should talk freely about how they themselves view the knowledge transfer within the organization, but the interviewer at the same time asked more or less the same questions of all respondents and had decided on some topics, which the respondent should talk about.

The purpose of the interview guide was to be a help to the interviewer during the interview; thus, the loose structure. A more structured interview guide could have directed the answers from the respondent and he/she might not have mentioned aspects otherwise not thought of. The interview had more the form of a discussion than a formal interview, but it was still clear to everyone involved that it was an interview situation. To a certain degree the interviewer has lead the respondents through the interview. This is not avoidable in an interview situation, since this is embedded in a situation where one part wishes to learn from the other.

Generalizability

Generalizability is the question of whether the behavior studied is typical of the phenomena to which the theory refers to (Silverman 1997). However, the nature of a qualitative study implies that it is sometimes not easy to show this generalizability compared to a quantitative study where the rules of statistics will ensure generalizability.

In this study the objective was to find out how to work with knowledge transfer. As an organization, The Volvo Ocean Race is not common as such

but they could be compared to any project organization. As such the conclusions from this study could apply on a general basis.