How Knowledge is Transferred within the Danish Fashion Industry
-Taking a knowledge management perspective on the creative design process

Master Thesis
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Written by Jonas Kissling Hansen

Counseled by:
Yen Tran
From Institute of Innovation and Organizational Economics
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Executive Summary

This thesis explores how creative knowledge is transferred in practical within the creative design process in three Danish fashion houses. This interest has led to the following research question:

How is creative knowledge transferred within the creative design process of the Danish fashion house? *And* **how are challenges of managing creative knowledge overcome?**

The method used to answer the research questions, was inspired by Eisenhardt's (1989) *Building Theories from Case Study Research*. Three cases have been used for the research:

1. IC Companys – a multinational fashion house
2. Cat-Kahrs – a start-up fashion house
3. Baum und Pferdgarten – an emerging fashion house

Semi-structured interviews were conducted with designers, marketing people and art directors in each fashion house. After conducting within case analyses and cross-case analysis five findings that pertain to their creative knowledge transferring processes could be addressed:

F1: All three fashion houses approach the initial phase of acquiring information and knowledge from the fashion network similarly.

F2: Creative knowledge is transferred similarly within all three fashion houses.

F3: Creative knowledge is difficult to express and transfer as it is based on emotions.

F4: Creative knowledge within the fashion industry stems from a 'noisy', ever changing and uncertain environment from which it is difficult to learn.

F5: Overcoming these challenges of transferring creative knowledge, knowledge is transferred in open spaces face-to-face in small teams of creative people that make it vital to interact.

These findings reveal new areas that are not yet covered by knowledge management literature. New directions for knowledge management include research on how complex knowledge described as 'knowing as sensing' where feelings, perceptions, emotions, and the ability to improvise creatively and hunches accrued by humans in 'noisy' and uncertain environments are transferred within the Danish fashion industry.

Thanks to;

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Imagine

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Executive Summary

Part I

1 Introduction

As we edge towards a 'knowledge economy' (Drucker, 1993) the concept of knowledge management receives wide attention both in practical and academic terms. The past decade knowledge management research has accelerated in pace with a growing demand for organizations to manage and share their insights and experiences to improve performance, competitive advantage and innovation. Capitalist firms in particularly have explored new ways to manage and share tacit and explicit knowledge successfully. Within academic circles interests in developing perspectives on for example knowledge sharing, knowledge creation, and knowledge identification have been noticeable as well (O'Dell and Grayson, 1998; Teece, 1998; Alavi and Leidner, 1999; Scarbrough et al., 1999; Nonaka and Takeuchi, 1995; Prusak, 1998; Christensen, 2005; Boisot, 2005; Spender and Scherer, 2007). Despite the growing body of literature the mainstream of current knowledge management literature is based on empirical studies conducted in regular corporations where knowledge somewhat easily could be identified and generalized into feasible concepts and frameworks - mainly via computerized technology (Scarbrough et al., 1999). The new concept of creative knowledge which is highly tacit and termed as the competitive core within the creative industry and how it is transferred has, in contrast, received insignificant attention from academics and practitioners thus far. Although we know it is tacit, sticky, and strategically important for creative industries there remains substantial gaps in our understanding of the mobilization of creative knowledge in practical settings. The very limited interests in creative knowledge despite the importance of it within creative industries have motivated me to launch a practical research of how creative knowledge in reality are managed within the Danish fashion industry, based on the following research question:

How is creative knowledge transferred within the creative design process of the Danish fashion house? *And* **how are challenges of managing creative knowledge overcome?**

This research contributes to the literature on at least three accounts: Firstly, the research offers empirical insights into how creative knowledge are transferred and managed in practical settings.

Secondly, the research suggests new directions for future knowledge management research. Thirdly, the research at its core give account for what current knowledge management theory can deliver to creative industries.

By exploring the challenges of transferring creative knowledge in practical within the creative design process of three Danish fashion houses, the purpose with this research and the driving motivation for writing this thesis is, based on my findings, to give new directions for future knowledge management research. The concept of the creative design process simply serves to narrow down the focus of the fashion house and make it more measurable and usable in connection to creative knowledge and therefore the concept of the creative design process only works as frame for the investigation. Creativity on the contrary has a main role in this research, especially when analyzing the characteristics and challenges of the Danish fashion industry, when analyzing the data, and when new directions are given. The research question is answered through a method of case-based research, which is inductive and qualitative. The findings are interpretative and hypothetical rather than final and definite, though the research might be well done and the findings convincing. The findings are primarily based on my own interpretations of designers', marketing managers', and art directors' perceptions of the subject matter. The research question is answered through a number of findings, which are explained and interconnected to make them logically comprehensible and easier understandable. Based on the findings new directions for knowledge management will be presented in the end. The focus of the research is a combination of the fashion houses' own ideas and my desire to produce a concise and focused piece of work.

Originally, the interest in creative knowledge was motivated by the simple observation that in a relatively large amount of articles that has been written about knowledge management within the clothing industry, including how knowledge management might improve fast fashion, how knowledge flows in production networks and supply chains, and how knowledge of fashion moves across geographical boarders, there has been limited interest in managing and understanding the role of creative knowledge when producing the actual fashion design. The meaningful and knowledge-rich nature of creativity has barley been acknowledge or analyzed in relation to how it is transferred within the fashion house, which seems odd as the creative

product is founded on valuable and highly indispensable knowledge that is trickier to transfer, but yet far more important and lies at the root of competitive advantage within the fashion industry.

1.2 Background and Motivation

1.2.1 Current theory

In order to provide an overview of literature that encloses creative knowledge and how to transfer it, I was set out to search more widely within knowledge sharing literature. For that purpose I have used three complementary literature retrieval procedures to avoid missing a useful paper that lies outside my regular purview. Initially, to identify relevant scholars e.g. articles and book chapters; I first examined CBS' computerized databases. Secondly, I have conducted manual searches from before 1995 the years that knowledge management literature peaked (Scarbrough et al., 1999), to 2009. Third, I was backward-tracing all references reported in the original articles, and forward-tracing all articles that cited the original articles using Google Scholar.

Current theory of knowledge sharing is extensive and covers a variety of situations and settings within different industries, and while they have provided reasonable explanations for some of the contemporary challenges of managing tacit knowledge within traditional industries, they fall short in shedding light on how knowledge within creative industries are transferred, and how challenges of transferring knowledge are overcome.

The first perspective focuses on the *stickiness of knowledge* (Von Hippel, 1994; Szulanski, 1996; Brown and Duguid, 2001; Orlikowski, 2002) and the challenges of moving best practice primarily within the borders of the firm. The view describes knowledge when it is difficult to spread, co-ordinate or change. When knowledge is created in one part of the organisation it is difficult to move to another part of the organisation as specialized groups produce specialized knowledge, wherefore knowledge that circulates easily in one group within the firm might be of little value to those who lack the background knowledge in another group within the firm. In other words, as long as knowledge are moved within and among groups of people of similar practices, knowledge can be easily transferred, but makes it 'sticky' or difficult to move across

groups of people of different practices. The perspective of sticky knowledge introduces some interesting elements which portray knowledge transfer challenges within regular industries, but the perspective could easily show insufficient on creative industries as the view does not consider the social ties and work groups that are made up by creative individuals in creative environments in which complex knowledge that is based on feelings and hunches are transferred.

The construct of *absorptive capacity* offers a perspective that describes the amount of scientific or technological information that an organization can absorb from outside sources in order to build innovative capabilities internally (Cohen and Levinthal, 1990; Zahra and George, 2002 Nahapiet and Ghoshal, 1998; Crossan and Bapuji, 2005). This theory is useful to apply to knowledge transfer as there is a limit to how much knowledge a firm can absorb or 'process'. The limitation of the theory is however that it does not consider how creative organizations search for information and knowledge within rapidly changing environments where knowledge is extremely complex. Furthermore, the problem when applying the theory to the creative industry's knowledge processes is that the perspective is very general thus not designed to a specific type of knowledge or industry, which is important as organizations especially creative ones, exploit knowledge differently. The fashion house will most likely focus on the quality of the information and knowledge, whereas absorptive capacity focuses on the quantity of information that can be acquired from the external environment.

Scholars of *organizational learning* (Argyris and Scön, 1978; Kim, 1993; Nonaka and Takeuchi, 1995; Bontis et al., 2002; Senge, 1990; Brown and Duguid, 1991) provide a number of different models and perspectives of how an organization learns and adapt by for instance acquiring knowledge from internal and external environments to share it inside the organization. Hence the key success factor in organizational learning is the ability for an organization to learn through extensive learning processes where knowledge is a central element in the literature for organizational learning processes. There is no single framework that has been able to encapsulate the diversity of organizational learning theory. As thoughts are very divers they cannot be rejected nor embraced as several views would be feasible for creative organizations to adopt. However, a limitation in relation to the subject of creative industries and creative people is whether it at all is possible to learn in a creative environment that changes direction constantly

and where processes and projects change in pace with changing conditions in local and global environments. In the same vein organisational learning perspectives do not open up for the possibilities that different ways of approaching learning provides new ways for an organisation to learn and adapt. As people learn very differently theory must also embrace diversity as one learning view does not apply to everybody in the creative organisation which is an issue that not appears clearly from any of the views presented under the banner of organisational learning.

Finally, theory of *knowledge transfer mechanisms* has more directly described the multiple mechanisms for transfer of knowledge and how the process can be facilitated by recognizing and exploiting various forms of mechanisms (Tsai and Ghoshal, 1998; Nahapiet and Ghoshal, 1998; Hansen, 1999; Prusak et al., 2001; Bapuji and Crossan, 2005). Many of the perspectives overlap aspects within organizational learning and aspects of absorptive capacity and the notion of sticky knowledge. Much of the previous work of knowledge transfer mechanisms have engaged in the characteristics of the particular knowledge in the sense that for some knowledge forms it would be more appropriate to apply one transfer mechanism than another. However, research on knowledge transfer mechanism is based on knowledge transfer investigated within the context of traditional corporations' business processes of moving knowledge and information from one organization to another hence the bulk of current theory that have explored various knowledge transfer mechanisms do not reflect the challenges of transferring knowledge on an intra-organizational level within for example creative industries. The ones that have have overlooked complex knowledge that is accrued by creative people.

The four different perspectives are summarized in the framework below. Throughout the thesis the framework will be developed as the empirical findings expose new areas that have not yet been covered by the four knowledge management perspectives.
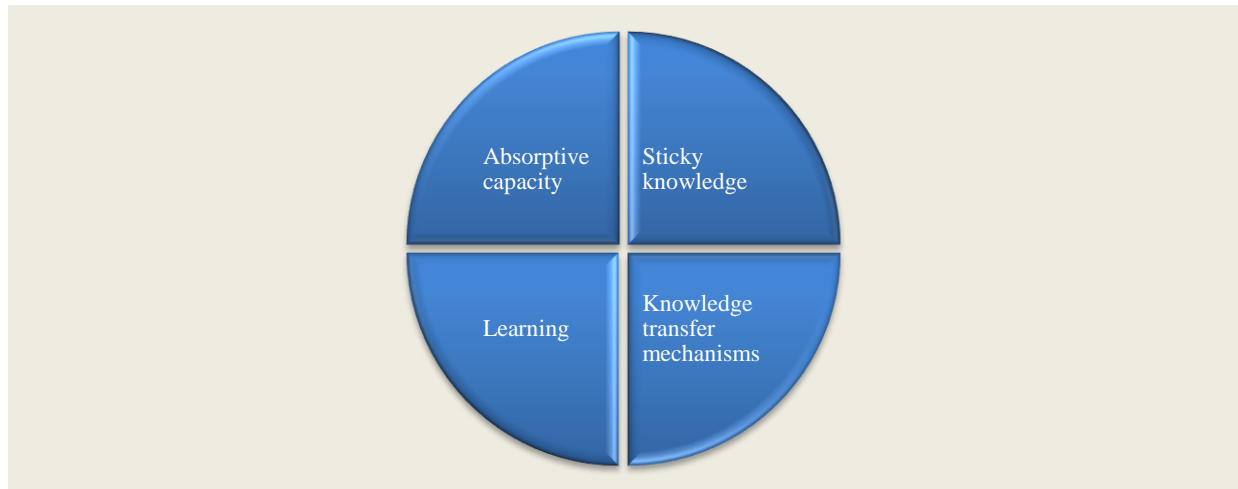
 Figure 1 Current knowledge management theory. *Source:* own creation

The four different perspectives have made approaches to explain how knowledge are transferred but seem insufficient in explaining how creative knowledge is transferred. While current knowledge management theory have been preoccupied by capturing the challenges of managing knowledge within knowledge intensive service firms for productivity and efficiency, theory that more directly tackles the aspects and obstacles of transferring creative knowledge in practical settings still remains to be developed. The creative firm, the nature of creativity and the creatives have not been addressed in current knowledge management research so far, which leaves much to be explored and consolidated. In order to know more about how knowledge that is accrued by humans is transferred we need slightly more specific terms to help us. Before proposing new theoretical directions for knowledge management research based on the thesis' findings, it is in place to present the context of the empirical phenomena under scrutiny.

1.2.2 Empirical context of creative knowledge

The creative design process

The empirical context of creative knowledge is important to outline in order to understand what is meant by creative knowledge and what it constitutes within the fashion industry. Creative knowledge can best be summarized from within the creative design process. This process encompasses at least three activities that are essential for producing creative knowledge and fashion design: This is the fashion houses' ability to search and acquire information from the outer environment. How information is interpreted by designers and develops into knowledge

once it has been acquired. Finally how knowledge is transferred within and across different functions within the creative design process in order to produce fashion clothing.

When creating a new collection, designers typically begin the initial exploration a year before the collection is launched by looking for inspiration and ideas within the society. This is a creative process where inspiration and ideas can be tapped from many different sources that can provide important information about colors, trends, styles and looks that is vital and jointly makes up for the fashion product. These trends in design changes rapidly which makes it important for the fashion house to always explore trends in design before preparing a new collection. How and where designers look for inspiration and ideas vary depending on budget, time and purpose. Normally it is said that designers find inspiration in everything everywhere, but to be in touch with contemporary and future tendencies reading fashion magazines, visiting fashion stores, travelling to different cities around the world and by attending fashion shows are some of the most normal ways designers get inspired. Furthermore, ideas can be complemented with inputs from online fashion predictors, from buying test samples, and from using fashion agents - all of which can be useful when building up a new collection. This is the first step in generating the initial ideas where information mainly resides within the fashion network.

After inspiration and ideas have been tapped by the fashion house information will for the main part be written down or memorized by designers. Hereafter things get more elusive, but the ideas and information tends to be evaluated and turn into knowledge for the fashion house whilst it is transferred within the creative design process. As most of the knowledge relates to creative attributes creative knowledge is the sum of trends of colors, styles, fabrics, moods, looks and the knowledge necessary to combine them in the fashion product.

The process of acquiring creative knowledge and transferring it inside the creative design process is illustrated below. The dotted lines illustrate the openness where knowledge and information freely cross the boundaries between the fashion network and the organization and the creative design process.
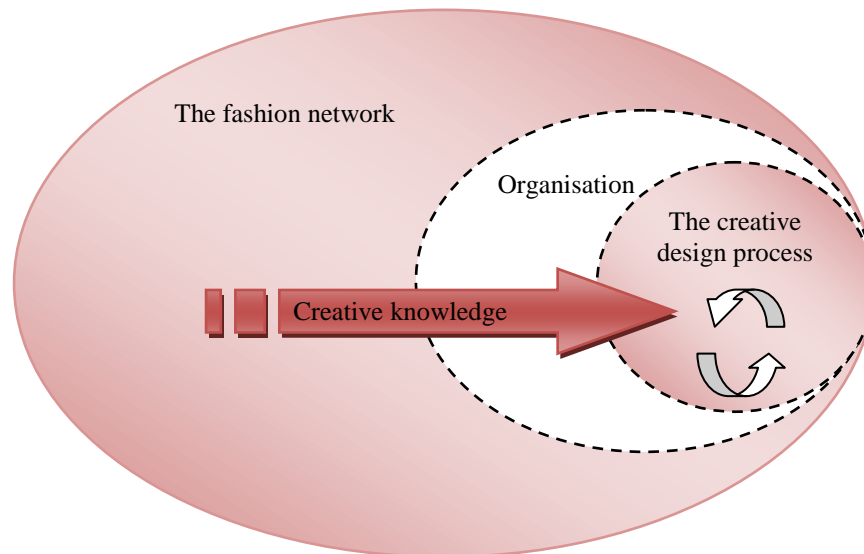
Figure 1.1 The creative knowledge transfer. *Source:* own creation

1.3 Definition

Having outlined the empirical context of creative knowledge the concept is somewhat clearer. Creative knowledge in this thesis will refer to knowledge of fashion trends, for example colours, styles, looks, moods, fabrics and image, including the knowledge it takes to combine them to create fashion products. In that way creative knowledge refers to the creative output. As the thesis progresses the definition of creative knowledge will be further clarified.

1.4 Structure of the Thesis

The exploration of my research question will in this thesis progress as outlined in figure 1.2. The purpose of Part I was to outline my motivation and the subjects' background that is needed in order to understand the focus of this thesis including the basic context and considerations for conducting the research. After that the research question clarifies the exact purpose of the research. Finally, the delimitations secure that the investigation stays focused. Thus, the basic knowledge should be in place, as to outline the thesis' methodology. Part II reviews the academic field of knowledge management with a focus on knowledge sharing theory. Part III calls for a study of the empirical settings of the fashion industry, followed by the case description and case findings. Based on these two explorative parts and preceding analyses, Part IV

discusses the central findings of the research and presents new directions for knowledge management. Part V concludes the research.
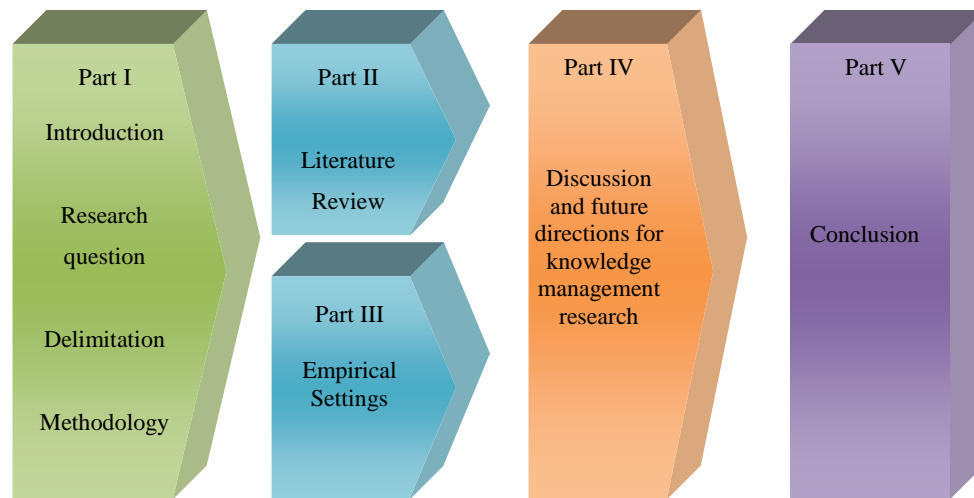
Figure 1.2 Structure of the thesis. *Source:* own creation

1.5 Delimitation

In order to maintain focus in the thesis and give appropriate attention to the research question certain delimitations are required. These are outlined in the following.

The investigation and analysis of the creative knowledge in the creative design process will primarily be internally focused, in the sense that the external knowledge links and knowledge flows will only be researched from the perspective of designers, marketing people and art directors. What is meant hereby is that I do not conduct interviews with external parties, who provide the designers with information and knowledge, which is used in the creative design process. In spite of this, it is realised that here are some important knowledge links between the partner and designers, as well as to other external parties. The evaluators in the creative design process are to a large degree dependent on the information provided by the partner in relation to the tasks they are performing when designing fashion products. Nevertheless, the knowledge flow between designers and the partner will not be investigated from the partner's point of view. It is realised that excluding external parties from investigation does not completely provide a

sufficient picture of the creative design process, as I do not reconstruct the entire context in which I operate. However, as I am working within practical settings, I am working under the influence of various constraining factors. The main reason why I will not interview external parties is because getting access to these partners would be difficult as the negotiations between designers and the partners are confidential as well as the information flowing between the two actors. Additionally, it is a very extensive task, which could form the basis for another study. Hence, when describing the external knowledge flows it will be based on the data and information gathered from the interviews with the designers, marketing managers and art directors, and it can therefore potentially be biased. Relevant fashion partners could be different media, magazine directors, fashion show executives, knowledge centres, fashion creators and designers around the world.

This thesis use the term 'knowledge transfer' as it pertains to the practical process of moving knowledge from one place to another, which is the essence of this thesis' focus. The transfer process however also overlaps aspects of 'knowledge sharing' which is another even more investigated concept within knowledge management literature. As these concepts cannot be separated in a theoretical or practical context they will especially in the literature review be used interchangeable to explain the theoretical gap in knowledge management literature but also the problems of moving knowledge within the Danish fashion industry.

1.6 Methodology

In order to answer the articulated research question, a method of theory-building research is applied. This approach is heavily inspired by Eisenhardt's '*Building Theories from Case Study Research*' (1989), which suggests various approaches on how to use case-based research to build or suggest new theory based on a very straightforward roadmap. It shall at this point be emphasized that the intention of this thesis is not to make a scientifically proven, universally usable theory, but rather suggest a number of new directions on the basis of case-based research. The approach of theory-building rather than theory-testing have been chosen because the field of interest has not before been investigated, and as suggested, current theory within knowledge management literature could show insufficient when explaining how creative knowledge can be managed within creative industries.

Through exploring and answering my research question the greater purpose with this study is to propose new theoretical directions for the field of knowledge management. These objectives are met through considerations of qualitative empirical data collected within three Danish fashion houses, by analyzing the challenges of transferring creative knowledge in the creative design process. This investigation is relevant as the issue has not had much, or any, academic attention, though obvious links have appeared within literature from both knowledge management and fashion. By taking a knowledge management perspective on the creative design process, the hope is that the thesis will awake interest in the field of knowledge management and within the fashion industry as well as across creative industries as a whole.

The more practical approach taken to the research is the following: from an empirically case-based research a number of findings are presented while new directions are offered, suggesting how knowledge management can be of better use when analyzing more complex knowledge within creative industries. The new findings are supported or questioned by current theory and research when possible, in order to expand the understanding of the findings to a context broader than the observable case-based ones (Eisenhardt, 1989). An inductive research approach is taken, meaning that empirically based findings are analyzed and from that data analysis, new directions are presented (Eisenhardt, 1989; Saunders et al., 2007; Andersen, 2009). The new directions are based on the findings from the case-studies and if a proper research method has been followed they will be relatively valid. Still, the method requires a certain degree of interpretation of the findings and though the directions might be empirically based, the inductive approach will not enable me to prove them. The deductive process of testing and proving the theory is out of the reach of this thesis's subject, but others will be able to test the findings and the suggested directions (Eisenhardt, 1989; Saunders et al., 2007; Andersen, 2009).

1.6.1 Theoretical framework

In order for the researcher to capture the dynamics and the complexity of how creative knowledge is transferred within the Danish fashion industry, I must be endowed with a research design that will assist me in achieving this goal. Eisenhardt (1989) argues that the process of building theory first and foremost relies on past literature and empirical observations or experiences as well as on the insight of the theorist in order to build incrementally more powerful

theories. As knowledge management researchers have not explicated how creative knowledge are transferred, it has been an important task to engage in a rich and thick description of the current knowledge on the subject in order for me to further develop it. The best way to accommodate for this is through a combination of an explorative study (Saunders et al., 2007) and a multiple case study (Eisenhardt, 1989; Yin, 2003). This research strategy allows me to perform an in-depth study of a phenomenon under scrutiny, which is known little about, while making generalizations based on empirical findings. Therefore, especially attention is paid as to how the most appropriated research design is constructed in order to guide and facilitate my empirical data due to my thesis's inductively reasoning.

When working inductively to build theory it is important to aim at being unbiased and open to all 'incomings'. Yet, there needs to be some point of departure or a pathway in the thesis to secure a useful direction (Eisenhardt, 1989). It is practically impossible to be fully detached from presuppositions, as one's perceptions always will be biased to some degree. For example, the focus was already from the very beginning influenced by an idea of how creative knowledge was transferred within the fashion house. But inspired by the inductive approach no further specific theory was followed, and similarly the first rounds of interviews were conducted with the aim of understanding the field of fashion and narrow down focus, instead of exploring the case and research question. Furthermore, the process itself was aimed at developing the interviews throughout the processes, while gathering new theory, as new knowledge and insights opened the doors for areas that needed to be highlighted. Though working inductively means that the primary focus of the research is empirical, and the influence of theory in this process should be minimal, theory is still usable and indeed necessary for the research. For example, Eisenhardt (1989) suggest using specific theoretical constructs in shaping the initial design which can be valuable as it permits me as researcher to measure these constructs more accurately when analyzing my data and if proven important a more robust empirical grounding are established for the new findings. More practically, this means that I have identified potentially important constructs from knowledge management literature this being the perspective in the framework presented earlier which can facilitate knowledge transferring which have been basis and guideline when conducting my interviews and the subsequently looking for patterns in the data analysis process.

1.7 Empirical Framework and Data Collection Method

Having presented my research approach, the theoretical framework and research design I will now turn to more practical aspects of the research conducted thus I will present my approach to the data collection. I will in the following section turn to illustrate the different processes included in the thesis as well as the literature sources utilised for the literature review in Part II. This will lead me to a discussion of my choice of method for empirical data gathering, hence why I have chosen interviews as the method for gathering empirical data. Hereafter I discuss how these interviews, more operationally, have been carried out and the challenges connected to the interview procedures.

An overview of the data collected for the research is shown below.

	Primary data	Secondary data
Qualitative data	• Two Semi-structured interviews with IC Companys • Two semi-structured interviews with Cat-Kahrs • Two semi-structured interviews with Baum und Pferdgarten • Interview with Jim Lyngvild • Interview with Birgit Pedersen • Lecture w. Larry Prusak CBS 2009	• www.icc.dk • ICC annual report • www.cat-kahrs.dk • www.baumundpferdgarten.dk • Baum und Pferdgarten's annual report • Books • Journals: Academic articles • Reports • Newspapers and magazines

 Table 1 Data sources. *Source:* own creation based on Andersen (2009)

1.7.1 Primary data collection

Eisenhardt (1989) argues that the emerging theory and findings stand stronger if multiple data collection methods are used. However, quantitative data is often inadequate when working with abstract and multifaceted concepts which are the case in this thesis; hence qualitative data in form of interviews have been the preferred method for primary data collection (Yin, 2003). This method made it possible to explore the deeper understanding of the field and get a picture of how creative knowledge was perceived by the respondents and how it was managed in the creative design process. Though data collection and data analysis are two different parts of this thesis, it

has had a tendency of overlapping, which is however quite normal when building theories from case study research (Eisenhardt, 1989).

Interviews

I approached relevant managers within Danish fashion houses with the desire to make a practical knowledge management thesis. At this stage the research focus was defined in broad terms which are prescribed by Eisenhardt (1989) as important in order to collect specific data more systematically, and not to get overwhelmed by the volume of data. Based on the research focus, my first round of interviews was dedicated to explore and identify a more specific focus area in cooperation with the respondents. During this early interaction, designers and marketing managers emphasized that the creative design process was a central strategic process in which room for improvement existed. They pointed to that in order to stay competitive Danish fashion houses have to excel in this strategic significant process, why continuous development and enhancement of the process is vital.

Though there exists formal and written procedures on the roles and responsibilities of the various parties involved in the creative design process, they do not contain descriptions of the creative knowledge processes. For this reason the interviews with the different respondents are of utmost importance in relation to the description, articulation and codification of creative knowledge. Moreover, I believe that the multiple case study approach combined with the exploratory approach is most appropriate as this research design accommodates for the requirement of the researchers' engagement in the creative design process and its organisational context in order to better understand it.

The interviews were semi-structured. They followed prearranged themes and the questions were open-ended, which made it possible to turn the interview in the wanted directions (Saunders et al., 2007; Andersen, 2009). A total of six case-interviews were conducted. Each interview lasted around 60 minutes and was recorded digitally. Notes were written during the interviews and they were transcribed on a computer a short while after it was recorded. Short non-important parts were not transcribed to avoid an overload of data and to save time when analyzing. The data

collected for the cases is important as a substantial part of it is foundation for the analyses. This especially goes for the primary data gathered.

Due to the inductive logic and the aim at giving new directions based on the findings, it was important to have an open mind which allowed me to be 'surprised' about new angles to the subject. This would enable me to conduct research without prejudices and to change direction within and between the interviews. Eisenhardt (1989) argues that if a new line of thinking emerges during the research, it makes sense to take advantage by altering data collection, if such an alteration is likely to improve theory or to provide theoretical insight. Thus, as the interviews were conducted, the questions asked and the way they were asked evolved as certain information affected the questions to come. Thus the focus and presuppositions I might have had were challenged and changed continuously throughout the research. This is seen as an advantage when forming new theory or hypotheses (Eisenhardt, 1989). When conducting the case interviews the challenges of transferring knowledge was easiest identified when going through the different actions and tasks of designing a new collection wherefore the second interview within each case focused on the practical tasks and activities within the creative design process.

1.7.2 Secondary data collection

My approach of collecting secondary data, started from a broad library and internet search, to get an overview of the issues of knowledge management and the fashion industry which was initially the focus of interest. But as the focus narrowed down, so did the search for literature.

Searching the archives

Concerning the literature review of knowledge management, the main authors and theoretical directions were reviewed to secure the basic understanding and directions within the field. The validity of this material has been confirmed from its popularity by number of references in Google Scholar and computerized databases at CBS. However, as the field of knowledge management has been subject for analysis from various different disciplines and directions an actual main direction within knowledge management cannot be defined. Instead the most important was to acquire the latest published knowledge management articles to secure an up-to-date literature review so knowledge within the field would include the latest scientific results and

perspectives on knowledge sharing and knowledge transfer. It was decided that focus in the literature review would be knowledge sharing theory and knowledge transfer theory which made the search process more targeted. Searches were mainly made in CBS's database where perspectives of organizational knowledge were sorted out. In order to cover as much as possible of knowledge sharing and knowledge transfer theory I would for each article found backward-trace all references reported in the original article which would give me a chance to enclose knowledge management theory more sufficient.

Searching for relevant academic literature within the fashion field I started out by making extensive manual searches at CBS library and in different computerized databases. A key approach when reviewing literature is to consider a broad range of literature in the search process (Eisenhardt, 1989) which the explorative research design allows me to. Both literature within the Danish fashion industry and the international scene was preferred, which yielded much differentiated materials e.g. books, reports from the culture ministry, academic reports from CBS and newspaper articles about the Danish fashion industry and in the beginning mainly scientific articles of the international fashion industry. In order to broaden my research complementary literature of the fashion industry was found within the marketing literature which provided very useful and structured frameworks towards the field of fashion. The literature utilized that considers creativity has been found mainly within books that depict the challenges of managing creativity within creative industries. Past literature have approached creativity from a purely aesthetic and artistic view which would be insufficient for this research as it is mainly the managerial issues that has relevance for this research. For example Robert L. Sutton's article '*The Weird rules of Creativity*' (2001) gave much impetus initially and are reflected upon in the end discussion as it present an interesting view in relation to this thesis focus and findings.

Furthermore material from several magazines (e.g. fashion magazines) has been used, as they had articles based on qualitative and quantitative research. This became particularly useful when comparing and adding to the findings of the cases. Most often non academic material existed about the specific cases. However the homepages of the case-organizations contained a lot of practical information for background information and they often contained usable yearly reports

and statistics. Several newspaper articles were found for each case, adding an outside perspective to it.

In the search for literature within the fashion field, different key words were initially used. This was namely clothing; garment; textile; apparel and fashion. As the latter word in many eyes has become most synonymous with art, creativity and uniqueness and yielded the most relevant literature it quickly became the *only* key word for the subsequent literature search which helped narrow down focus even more.

Part II

2. Literature Review

2.1 Introduction

The following literature review aims to further consider the critical points of the current knowledge available within the field of knowledge management. With a specific focus on knowledge sharing and knowledge transfer theory the aim with this review is to identify theoretical gaps and research opportunities when considering the thesis' empirical phenomenon. Hence, it is crucial to have a good understanding of the most relevant and important themes that the literature are concerned with. The purpose is to put forth the major directions and discussions and the most important and useful perspectives and theories which will provide a solid basis for further reading of the thesis. By starting with recognizing the more general knowledge management concepts towards the thoughts of more specific knowledge transfer perspectives and the challenges associated with knowledge transferring, it should be possible to build a foundation from which the theoretical gap can be further clarified.

2.2 Research on Knowledge Management

2.2.1 Main points

Knowledge management includes a range of different methods and techniques to exploit an organization's knowledge including their tacit- explicit- and organizational knowledge (Nonaka and Takeuchi, 1995; Teece, 2000; Christensen, 2005). Despite that knowledge management concepts have been defined in different ways there is a general agreement among authors and researchers that knowledge management refer to how organizations create, retain, and move knowledge to enhance performance (Scarbrough et al., 1999). Research on knowledge management has through its relatively short life as an established science provided many contradictory thoughts, related themes and sub-groups on the discipline. Approaches vary by authors and school. As the field has unfolded, academic debates have increased regarding both the theory and practice of knowledge management, to include the following key perspectives:

• **Techno-centric:** focusing on IS/IT, mainly those that improve knowledge sharing and creation

• **Organisational knowledge:** focusing on how organizations can be designed to facilitate knowledge processes

• **Ecological:** focusing on the interaction between people, identity, knowledge and environmental factors as a complex system similar to a natural ecosystem

Regardless of the school of thoughts, Spender and Scherer (2007) suggest that core elements of knowledge management include people, processes and technology or culture, structure and technology depending on the specific perspective taken. Throughout the present literature review I have taken an organisational knowledge perspective to knowledge sharing as this perspective have the greatest relevance for the foci of my research. The perspective is basically concerned with how knowledge is shared, transferred and exchanged within and between organizations.

Most knowledge management literature is practice-, rather than theory-driven which is reflected in the literature where a large part are concerned with IS/IT related topics. The main themes in knowledge management literature are shown below.

Knowledge management themes	Count	%
Information systems	73	40
Information technology	51	28
Strategic management	35	19
Human resource	9	5
Consultancies	8	4
Others: libraries, academic, accounting, marketing	8	4

Table 2 Themes in knowledge management literature. *Source:* inspired by Scarbrough et al. (1999)

The bulk of knowledge management research have mainly been conducted within traditionally industries where IT/IS have been the central theme for investigation (Scarbrough et al., 1999). Newer fields and emerging industries have not received the same attention even though the 'knowledge economy' represents tomorrow's corporation. To understand this development in

knowledge management it becomes important to view how theorist's and researcher's observations of the core of knowledge have developed in literature by making a distinction between the core characteristics of data, information and knowledge, and tacit-, explicit-, and organisational knowledge.

Differentiating knowledge from data and information

Many of the concepts presented within the knowledge management literature are very diffuse, and there are various opinions on how to define and understand them. For that reason I intent to clarify and discuss some of the theoretical concepts of knowledge management that is related to this thesis' subject. A number of authors address the question of defining knowledge by distinguishing among knowledge, information and data (Alavi and Leidner, 1999). It is widely accepted that these categories do not represent the same content (Bhatt, 2000; Wilson, 1996; Prusak, 1998). However, there has been a tendency to use these terms interchangeably (Brooking, 1999), which is believed to create confusion. So to begin with, it is in place to consider the most common views on data, information and knowledge and how knowledge distinguishes itself from data and information.

Dreske (1981), Machlup (1983), Bohn (1994), Nonaka and Takeuchi (1995), Wilson (1996), Vance (1997), Fahey and Prusak (1998) and Boisot (2005) have all offered useful illustrations of the differences between data, information and knowledge, which most authors terms the processing hierarchy. Wilson (1996) sees data as a sequence of numbers, letters etc. that is *without* context. Information is the next step where organisation data, tables and statistics are *in* a context. Brooking (1999) argues that knowledge is organised information together with an *understanding* of what it means. The important notion within the separation of data and information from knowledge is that information, and data can be seen as the substance from which knowledge is created (Nonaka and Takeuchi, 1995). Hence, data and information can be perceived as the underlying forms of knowledge, that when put into context is converted to knowledge. It is clear from literature that a commonly held view about data, information and knowledge is that data is raw numbers and facts, information is processed data, and knowledge is authenticated information (Dreske, 1981; Machlup, 1983; Vance, 1997). Knowledge enables a person or a group that posses it to take effective actions in the future. It allows making

predictions, causal associations, or prescriptive decisions about what to do (Bohn, 1994). In this line, knowledge is seen as a framework, guidelines or principles that allow the knower to turn data and information into effective action. Furthermore, according to Fahey and Prusack (1998) information is suitable to be considered as a stock, knowledge is better defined as a 'flow' which has become a compulsory metaphor when describing knowledge in motion. This dynamic notion of knowledge as a flow, together with its fundamental characteristics of partly being inseparable from individuals (Fahey and Prusack, 1998; Nonaka and Takeuchi, 1995), suggests a conception of knowledge radically different from information. Knowledge is central to day-to-day doing and in constant change, it is created by individuals and is largely self-generating, and it cannot exist complete outside the individuals that develop and transmit it. Latest Prusak (2009, CBS guest lecture) explains the nature of knowledge and why it is radical different from information by saying that large amounts of information can be transferred with a single click, whereas knowledge is a lot more difficult to move.

Having distinguished between data, information and knowledge based on different approaches there seems to be a broad agreement on the system of the processing hierarchy it is relevant to review the notion of knowledge in itself which have been a widely discussed theme within knowledge management literature. When it comes to what knowledge is actually being shared, there are continual debates as to what form knowledge can take, or where knowledge exists as knowledge can be tacit, explicit and organizational. The following provide a brief overview.

Tacit knowledge

Many authors have contributed to defining knowledge along the epistemological dimension; however, there is particularly one, Michael Polanyi (1966), who stands out as being among the first to distinguish between tacit and explicit knowledge. The essence of Polanyi's work (1966), which is widely cited in literature, is the description of knowledge as knowing more than we can express and formulate, or knowing how to do something without thinking about it. This description not only illuminates the relation between explicit and tacit knowledge it also embraces the elusiveness of tacit knowledge. Thus, taken from the definition made by Polanyi, tacit knowledge cannot be codified or expressed by words, only through actions. Moreover, Polanyi argues that tacit knowledge is the backdrop against which all understandings are

distinguished. This implies two things; tacit knowledge is the background for making sense of anything, and that tacit knowledge is intrinsically linked to explicit knowledge. Hence, these two dimensions of knowledge cannot be treated as separate parts. Rather they are seen as mutually constituting entities in the understanding of knowledge (Nonaka and Takeuchi, 1995).

Moreover, tacit knowledge is portrayed as being context-specific and consisting of subjective know-how, insight, and intuitions that stem from the personal experiences gained through the activities in which the individual has participated (Nonaka and Takeuchi, 1995). In this respect tacit knowledge cannot be separated from the process of its creation and application, and is thus gained experimentally (Spender, 1996). Hence, tacit knowledge is highly personal and hard to formalise, which make it difficult to communicate or share with others (Nonaka, Konno and Toyama in Nonaka and Nishiguchi, 2001). Tacit knowledge may also be associated with the specific know-how, crafts and skills which can be detected in the deployment of skills developed by master craftsmen or the mastery of a specific body of knowledge. Finally, tacit knowledge is also implicit mental models and perceptions that are ingrained in each individual. The mental models, as presented by Nonaka and Takeuchi (1995), are among other things perspectives, personal viewpoints, and beliefs that assist the individual in perceiving and defining the world.

Explicit knowledge
Explicit knowledge, on the other hand, is some kind of formal knowledge that can be transmitted and disseminated between individuals and groups. This type of knowledge has been captured and codified and it is often found in the form of for instance mathematical formulas, rules, manuals, procedures, and specifications (Polanyi, 1966).

Moreover, as presented by Smith (2001), explicit knowledge can be seen as technical or academic information that is described in formal language. Due to its technical character it is argued that a high level of academic knowledge or understanding is required in order to understand it. Despite the fact that the explicit dimension of knowledge can be transmitted from one individual to another, it may be difficult to grasp by the individual without further introduction or previous experiences into the area of question. This point to the fact that explicit

and tacit knowledge are mutually constituted: one cannot be understood or deployed without the other. In line with Polanyi (1996), I take the stand that knowledge always has a tacit dimension. The differences between tacit and explicit knowledge can according to Lam (1998) be summed up along three major areas; codificability and the mechanisms for transfer (which I will return to later), the methods for acquisition and accumulation, and finally their potential for aggregation and modes of appropriation. This is illustrated in the table below.

	Tacit knowledge	Explicit knowledge
Codificability/ mechanisms of transfer	• Unarticulated, difficult to formalize and communicate	• Articulated, codifiable, easy to transfer and communicate
Methods for acquisition and accumulation	• Learning-by-doing/practice	• Logical deduction and formal education
Potential for aggregation/ modes of appropriation	• Personal, contextual • Appropriation only possible through the active participation of the person holding the knowledge	• Aggregation in a single location possible • Can be appropriated without the person participating

Table 2.1 Features of tacit and explicit knowledge. *Source:* Lam (1998)

Knowledge is partly individually held and created, which can be aligned with the tacit dimension. As I also have asserted, some things and objects are beyond the individual's construction and can accordingly be observed objectively, which matches the explicit dimension of knowledge. In this respect it is relevant to explore the level at which knowledge may exist in and between individuals. Many authors have made different importance of making these distinctions is that it makes clear both the multifaceted character of knowledge while explaining the embeddedness in people and systems of the organisation.

Organisational knowledge
Organisational knowledge (Nonaka, 1994; Cook and Brown, 1999; Orlikowski, 2002) has been widely mentioned in the literature as being created through a continuous interaction between tacit and explicit knowledge. The central idea is that knowledge possessed by individuals or groups becomes, by interacting, entirely possessed by the organisation and from there further developed collectively. As mentioned above explicit knowledge is by definition codifiable and

exists outside the individual and can therefore be disseminated throughout the organisation via documents stored in IT/IS-systems.

The tacit dimension of organisational knowledge have been acknowledge as the most valuable and most exploited as it plays an essential role in supporting a firm's practices, routines and culture, making them so difficult to imitate by competitors which makes it a source of sustainable competitive advantage. The interesting view of organizational knowledge for this research is the view that have been independently presented by Leonard and Sensiper (1998), Faulkner and Senker (1995), Nonaka and Takeuchi (1995) that collective tacit knowledge is created, shared and stored in and by people working in creative processes. Leonard and Sensiper (1998) sees creative processes as mainly being group processes where complex tacit knowledge is shared between individuals based on team-work hence tacit knowledge can exist and can be shared on a organizational level as well. This is a view that will be further reviewed in later sections.

Collective knowledge as such does not exist in itself. Nonaka and Takeuchi (1995) point out that knowledge is basically individually created, that is, organisations cannot create knowledge, only individuals can. Hence, collective knowledge can be seen as the way knowledge that started out as individual knowledge, is disseminated and shared in an organisation. What more is, collective knowledge resembles the collective mind or memory of an organisation (Lam, 1998). One could continue this line of argumentation by claiming that collective knowledge is very similar to the concept of organisation culture (Hofstede, 1991; Schein, 1992; Walsh and Ungson, 1991). Spender (1996) argues that collective knowledge is more that the process of knowledge distribution and knowledge sharing. In this way the organisation becomes a system of knowledge processes. Moreover, Spender (1996) sees collective knowledge as being more than the sum of the participants' knowledge. This implies that the sum of the collective knowledge in an organisation is greater than the knowledge of each single individual.

In the following the focus will be on knowledge sharing and the framework of sticky knowledge, absorptive capacity, organizational learning and knowledge transfer mechanisms will be further specified.

2.3 Knowledge Management

2.3.1 Knowledge sharing

The concept of knowledge sharing has in long time been as elusive as the concept of knowledge due to the fact that there exists no definite distinction in the literature between transfer of knowledge and creation of new knowledge (Bresman et al., 1999). Furthermore, theorists use different terms to describe the concept such as knowledge transfer, knowledge sharing, knowledge creation, and learning (Bresman et al., 1999). A substantial part of knowledge sharing research focuses on identifying methods and tools that can facilitate knowledge sharing between individuals and across organisations. Because of its relatively wide focus on organisations and individuals knowledge sharing and the challenges of sharing knowledge have been subject for analysis from many different perspectives and directions in literature. For example knowledge sharing have increasingly moved to an organisational learning perspective (Argyris and Schön, 1978), as it provides conditions for knowledge sharing and its philosophies, of for example learning, to develop. More recently communities of practice theory has become associated with knowledge sharing as researchers have begun to see it as a way to develop social capital, nurturing new knowledge and sharing existing tacit knowledge within the organisation (Prusak, 1998). The absorptive capacity construct involves organisational learning, social capital, the resource-based view of the firm, and dynamic capabilities, and posits a view of the organisation as a knowledge absorbing and knowledge creating firm where knowledge sharing is essential in order to build innovative capabilities internally (Cohen and Levinthal, 1990). Sticky knowledge describes the difficulties of moving best practice within the firm due to a strong tacit dimension of knowledge (Szulanski, 1996). And knowledge transfer mechanism which includes all the above mentioned concepts and perspectives to explain the mechanisms that facilitate knowledge sharing most appropriated. Behind much of this thinking on knowledge management lies a resource-based view of the firm in which intellectual capital assumes greater importance than financial capital.

In the overall picture of knowledge management, knowledge sharing is placed under the heading exploitation; hence it is the process, which takes place when organisations exploit already developed knowledge. In sharp contrast with the negative sense of the word exploit, knowledge sharing is an extremely positive concept for organisations. Knowledge sharing is attractive,

because organisations avoid redundancy in the knowledge production, secures diffusion of the best practice and enables problem solving by making relevant personal knowledge available to the problem-solving process regardless where it is obtained and stored originally in the organisation (Michailova and Husted, 2000).

As outlined above, knowledge sharing is the discipline under the concept of knowledge exploitation. The essence of this discipline is to share already existing knowledge as opposed to exploring new knowledge (March, 1991). As pointed to earlier on in this review, knowledge sharing is basically an individual process thus, organisations cannot share knowledge without individuals. Knowledge sharing in an organisational context is concerned with facilitating the process of amplifying the knowledge the individuals hold and integrate it in the organisational structures and culture. Nevertheless, knowledge sharing is very dependent on human interactions and for the same reason it may take place at different levels in and across organisational boundaries, such as within a group or department, between groups, on an overall organisational level and between organisations at an inter-organisational level. It is important to underline that knowledge sharing has always taken place, but in a fragmented and unstructured manner (Mahnke and Husted, 2001). Having knowledge sharing in a not formalised manner, organisations cannot be sure to yield the above-described benefits.

Knowledge sharing literature have in general contributed to develop theory that reflects new and emerging firm's reality of knowledge sharing in dynamic and fast changing environments. The bulk of this theory offer perspectives that will be reviewed in the following sections.

Organisational learning

As mentioned in the beginning organisational learning has provided many different perspectives on how individuals and organisations learn and adapt through amongst other knowledge management activities (Argyris and Schön, 1978; Senge, 1990; Brown and Duguid, 1991; Nonaka and Takeuchi, 1995). These learning perspectives has emerged as business environments have changed to a more globalized, knowledge and information intensive environment where human capital and intellectual capital is the sustainable source of competitive advantage (Senge, 1990; Brown and Duguid, 1991; Drucker, 1993).

Thus far, there is no single framework that can summarize the diverse thoughts of organisational learning and its interface with various other directions, etc. organisational knowledge, organisational development and knowledge sharing. When reviewing the literature there seems to be endless perspectives on learning and how knowledge processes can improve learning to help companies capitalize on a changing and volatile environment.

Organisational learning covers different ground that can be classified into different blocks of theory. Firstly, a cognitive-, knowledge-, and information-based theory that deals with the accumulation of knowledge and information through cognitive basis which have been widely discussed in literature by for example Senge (1990). Secondly, an organisational adaptation perspective where the organisation adapts to changes in the environment which has been presented by amongst other Brown and Duguid (1991). Thirdly, perspectives of system theory with the purpose of increasing the problem solving potentials of systems within the firm have also provided some interesting views (Senge, 1990). Fourthly, cultural perspectives emphasize knowledge sharing cultures in order to change defensive routines in organisations (Nonaka and Takeuchi, 1995). Fifthly, a strategic perspective of how organisations learn faster than other organisations (Argote and Ingram, 2000). And lastly a perspective of 'learning by doing' through experience based action (Agyris and Schön, 1978). These perspectives however often overlap and cover a great amount of current learning thinking patterns, but still the perspectives work within a 'restricted system' of processes and procedures.

A framework that captures some of the aspects of how organizational learning takes place, by who and where in the organization includes four dimensions which are widely cited in knowledge management literature: levels of learning, modes of learning, types of learning, and process of learning. The framework specifies how learning can take place by individual learning, on a team level, by the organization, and in networks. Furthermore, 'modes of learning' are important to facilitate extensive learning processes where promoting a learning culture, promoting experimental mindsets, and access to information and knowledge are fundamental for learning. Types of learning specify the various ways in which learning can be accomplished. This is mainly going on in a process of problem solving, errors correction and changes in competencies. Process of learning includes the process of information and knowledge such as

information acquisition, information dissemination, knowledge integration and shared interpretation, knowledge transformation to action. This illuminates a perspective of learning as it is going on in different steps, processes and structures. For further insight into the organisational learning thoughts the core of learning is reviewed in the following.

The core of learning and learning models

In order to clarify the process of organisational learning some widely cited learning concepts offered by Nonaka and Takeuchi (1995) called *the knowledge spiral*, the *single-loop learning* and *double-loop learning* by Argyris and Schön (1978) and Huber's (1991) distinct organisational learning processes have suggested how organizations learn through a knowledge management perspective.

The spiral model describes the knowledge sharing process as a process of converting knowledge from one form to another in order to move it from one ontological level to another hence, between individuals and groups. Knowledge conversion, that is, the interaction between the different forms of knowledge, leads to knowledge sharing (Nonaka and Takeuchi, 1995).

Single-loop learning (Argyris and Schön, 1978) occurs when errors are detected and corrected and the firm continues their present policies and goals. Activities that add to the knowledge-base or the firm-specific competencies or routines without altering the fundamental nature of the organizations activities. *Double-loop learning* occurs when, in addition to detection and correction of errors, the organization is involved in the questioning and modification of existing norms, procedures, policies, and objectives which leads to changes in the organization's knowledge-base or firm-specific competencies or routines.

Organizational learning have throughout the vast majority of the literature been described as being an ongoing process of learning involving knowledge acquisition, information distribution, information interpretation, and organizational memory (Huber, 1991). The main idea in this framework is the organization's ability to acquire information and knowledge from within external and internal contexts, how this information and knowledge is distributed and transferred within the firm, and how the interpretation process by the organization and by individuals is

made before organizational knowledge is memorized. Huber's (1991) four learning processes have been widely cited and discussed in organizational learning literature. Discussions have mainly targeted the four processes as occurring and depicting a closed system of learning (Ford and Ogilvie, 1996) as it does not allow new perspectives that emphasize variation to develop.

In adopting the four learning processes to the fashion industry that works in a more open system environment whereas Huber's learning processes occurs within a closed system, the nature of creativity and creative actions are likely to be restricted or lost in focus and dedication to the procedures and objective. Models of organizational learning have not fully described the role of creativity in the development of organizational knowledge, but have mainly been preoccupied with perspectives 'delivered' from knowledge management research.

Finally learning has also been portrayed in community of practice literature from a situated learning theory perspective (Lave and Wenger, 1991). In this view community of practice works as a context in which individuals through participation in work processes develops their practice and identity accordingly to the community they currently engage. Handley et al. (2006) for example discusses learning perspectives that emphasizes key concepts for learning; participation, practice, and identity as it is through participation in a community that individuals develop their practices and identities. The socio-cultural context in which the community are imbedded have been described in literature as an important factor as cultural perspectives in a broad term foster homogeneity as social objects which is an assumption that lies at the core of much community of practice literature (Dyck et al., 2005).

However, when it comes to defining communities of practice there seems to be wide disagreement of the purpose, structure and meaning of them. For example Lindkvist (2005) characterizes communities as tightly knit groups that have been practicing together long enough to develop into a cohesive community with relationships of mutuality and shared understanding. He furthermore, distinguishes between communities of practice and collectivities of practices such as project-based teams in which knowledge is more abstract and distributed. Wenger (1998) describes them as less homogenous and suggests that communities also generate conflicting views and therefore is subject to conflicts and to a degree reject the thought of communities as

being a mutual engagement based on harmony. Handley et al. (2006) suggest that an analysis of situated learning and knowledge transfer across communities requires not only a conceptualization of community of practice, but also an understanding of what happens within and beyond these communities which is a thought that was first presented by Brown and Duguid (2001). In literature communities of practice vary in purpose (Handley et al., 2006), durability (Roberts, 2006), identity structure (Wenger, 1998) and practice. Perspectives are still evolving and literature is not coherent as to how to define communities of practices. However there seems to be agreement amongst theorists and researchers that community of practices enhance learning through perspectives of participation as it involve action, as taking part, and connection to the community, understanding who we are (identity) and practice. Furthermore, it provides a context in which knowledge sharing is a fundamental practices in learning.

The domain of organisational learning has indeed provided many interesting and useful perspectives that consider how firms learn and adapt overtime which are useful when studying knowledge transfer behaviors. The philosophy behind organizational learning has been that organizations overtime through extensive learning processes of how to learn in groups and as individuals, expanding learning capacity and nurturing new thinking patterns are able to obtain competitive advantages, improve performance and innovation. Whether this system of learning also applies to the fashion industry remains ambiguous.

Critique of the organisational learning perspectives
As previously pointed out in the beginning of this part all theories need to be treated with caution, and one needs to explore the theoretical foundation or the core of the different models in order to grasp potential shortcomings.

For example, Argyris and Schön's (1978) description of single-loop and double-loop learning processes describes how organizations detect and correct errors in ways that either reinforce or modify current organizational knowledge. However, this perspective ignores for example the power of learning via intentional novel acts aimed specifically at producing variations. The need for an interpretive model that introduces a set of proactive means for organizations to learn, not

just by reacting to errors, but by purposely introducing variations or misfits by developing routines which respond quickly to feedback produced by creative and improvised acts.

Furthermore, learning within the fashion industry might prove difficult and too rational in terms of learning what and how fashion design should be created and which trends will be popular, as the renewal of fashion products changes rapidly in no order or system which makes it impossible to learn from for example earlier experiences. The context in which learning takes place is essential for successful learning wherefore I argue that it can be problematic to learn within fast changing environments such as the fashion industry. The learning perspectives introduced in organisational learning literature might have difficulties in shaping the learning processes within industries that find themselves in an ambiguous and rapidly changing environment which is the case within the fashion industry as we will see later.

The mainstreams of organizational learning perspectives will allegedly have impact on traditionally companies with a somewhat homogenous mix of people with few creative actions. However, organizational learning theory falls short of presenting a view that takes how highly diverse organizations with creative people learn, within creative industries into account or rather organizational learning perspectives have emerged on the basis of research conducted within somewhat traditional industries. The point is that current organizational learning theory stipulates within a framework how learning is accomplished but ignores for example how creative actions are able to elaborate and expand organizational knowledge. Organisational learning seems like a closed system that cannot comprehend or allow the sometimes unpredictable and volatile creativity that are able to take processes and learning down unfamiliar roads that might be either pointless or very fruitful.

2.3.2 Knowledge sharing barriers

I will now explore the fact that knowledge sharing is not a frictionless activity, which is a perception that has gained increasing support in knowledge management literature during the years (Prusak, 2001; Christensen, 2005; Argote and Ingram, 2000; Brannen et al., 2007). From having a rather positivistic and simplistic approach to knowledge sharing, the theories have developed to explain the problems encountered by organizations when trying to implement

knowledge sharing schemes or address the problems associated with knowledge sharing and ways to overcome knowledge sharing barriers. This development started with the recognition that IS/IT solutions are not sufficient for facilitating knowledge sharing (Dixon, 2000). Often such solutions simply function as internal 'yellow-pages' (Michailova and Husted, 2000). Hereafter, the focus has turned to the motivational aspect of the persons involved in sharing knowledge and it is postulated that people basically do not want to share knowledge (Michailove and Husted, 2001; Christensen, 2005; Nicherson and Zenger, 2004). Dixon (2000) contradicts this perception by arguing that people basically contain no knowledge sharing hostility towards other people. However, she claims that people do not want to share tacit knowledge with databases, only with other people. The key, she states, is that by doing so the knowledge creator will be acknowledged for the expertise and perhaps even thanked or rewarded, which is a view shared by other theorists such as Christensen (2005). For the purpose of this research, I embrace both of the ideas discussed above. Knowledge sharing is associated with various types of barriers mainly relating to the type of knowledge being shared (Nonaka and Takeuchi, 1995), lack of trust between the knowledge source and the knowledge receivers (Michailova and Husted, 2000; Brannen et al., 2007; Bogatti and Cross, 2003, 2004), no knowledge where knowledge where thought to be (O'Dell and Grayson, 1998), an opportunistic behavior (Christensen, 2005), and a lack of absorptive capacity from the recipient company (Cohen and Levinthal, 1990). The sticky knowledge view and the construct of absorptive capacity comprise all these barriers.

The stickiness of knowledge

The notion of sticky knowledge (Von Hippel, 1994; Szulanski, 1996; Brown and Duguid, 2001; Orlikowski, 2002) summarizes many of the challenges that are associated with transferring knowledge. Research has focused on the stickiness both when transferring knowledge within the firm and between firms. The view encompasses different sources to why knowledge becomes sticky; for example an unwillingness to share knowledge which has been studied as a motivational issue from both the source and recipient point of view (Christensen, 2007), problems with recipient's absorptive capacity (Szulanski, 2003), lack of trust and commitment between the source and recipient in the knowledge transfer process (Prusak, guest lecture CBS, 2009), and lack of retentive capacity and limited network contacts (Prusak, guest lecture CBS, 2009). Prusak (guest lecture CBS, 2009) insist that knowledge at nature are *sticky* course it tends

to stay where it is, *contextual* because what might be knowledge to one individual might not be knowledge to another, and *local* as the most valuable knowledge are found on the ground which makes it difficult to move and absorb even when transferring knowledge face-to-face due to problems of knowledge adaption.

Szulanski (2003) have demonstrated through his studies of sticky knowledge that the main reasons for knowledge is sticky when transfer internally is not motivational problems but rather the recipient's lack of absorptive capacity, casual ambiguity, and an arduous relationship between the source and recipient which is an interesting view in relation to knowledge transfer within the fashion industry. However, these particularly findings are based on research conducted in a construction company which is likely to yield different results than the fashion industry due to the transfer of a high degree of tacit knowledge in a very dynamic environment where knowledge change hence best practice is not durable as it pertain to outputs, whereas sticky knowledge research pertains to moving best practices in processes.

O'Dell and Grayson (1998) discuss how inappropriate organizational structures can be a barrier for knowledge sharing and hence in many cases the main underlying course of lack of communication between members of the organization which makes knowledge sticky. Structures in which locations, divisions and functions are so focused on maximizing their own accomplishment and rewards that they, consciously or unconsciously, hoard information and knowledge, and thus sub-optimize the total performance of the organization.

Christensen (2007) has through his research of how motivational rewards can facilitate knowledge sharing addressed different barriers that relates to knowledge sharing. This is dimensions of *social structures* coursed by an opportunistic and self-interest seeking behavior, different *faces of knowledge* that makes it impossible to communicate tacit knowledge, and lastly a *structural misfit* between the willingness and ability to share knowledge which is ascribable to ignorance, a lack in awareness, and missing opportunities to enact the willingness to share knowledge.

Absorptive capacity

The notion of absorptive capacity was first introduced by Cohen and Levinthal (1990) but has since developed a range of different conflicting and complementary perspectives, definitions and applications that will be reviewed in the following.

Absorptive capacity has been, at its core, described as being a limit or a barrier to how much information and knowledge the recipient firm are able to absorb via its relative capacity, but have also presented views on how to overcome these barriers through different knowledge transfer mechanisms. The perspective explains the idea of how firms are able to absorb knowledge and information from the external environment for the purpose of combining it with the firm's existing knowledge in order to create new knowledge within the firm (O'Dell and Grayson, 1998; Zahra and George, 2002; Bapuji and Crossan, 2005; Nahapiet and Ghoshal, 1998). However, definitions and the application of absorptive capacity have been utilized by researchers in various ways. Some have used the perspective of a firm's receptivity of technological change (Kedia and Bhagat, 1988), others for the purpose to evaluate the ability of a firm to use outside knowledge (Koza and Lewin, 1998). Mowery and Oxley (1995) see absorptive capacity as a broad set of skills needed to handle tacit component of transferred knowledge and the need to modify the imported knowledge. Kim (1997) offers a definition as being the capacity to learn and solve problems. The most cited is however, the one from the instigators (Cohen and Levinthal) as a view of firm's ability to value, assimilate and apply new knowledge.

The perspective of absorptive capacity has mainly been used to explain diverse, significant and complex organizational phenomena (Zahra and George, 2002) covering ground such as strategic management (Lane and Lubatkin, 1998; Nahapiet and Ghoshal, 1998), technology management (Shilling, 1998), international business (Kedia and Bhagat, 1988), and organizational economics (Glass and Saggi, 1998). The extent to which absorptive capacity have been used in past research spans multiple levels of analysis by invoking organizational learning, industrial economics, resource-based and dynamic capabilities perspectives. Research has studied the effect of absorptive capacity at different levels of analysis while adopting multiple measures of the construct. Research that have consolidated the perspective of absorptive capacity have been conducted within very different settings such as within manufacturing firms, biotechnology

firms, technology firms and car manufacturing firms on different levels such as in organizations, inter-organization and across country.

Cohen and Levinthal (1990) specify four distinct dimensions to absorptive capacity that is divided into two components: 'potential absorptive capacity' that consists of the capabilities to facilitate acquisition and assimilation of knowledge and 'realized absorptive capacity' that consists of the transformation and exploitation capabilities. Potential capabilities help a firm to identify knowledge as knowledge, and assimilate it, whereas realized capabilities helps to deliver such assimilated knowledge. Developing such capabilities often requires firms to become part of a value network. Much study of absorptive capacity has been devoted to distinguish between the two components of potential capacity and realized capacity.

Most researchers studying absorptive capacity perspectives has adopted an organizational learning perspective as theoretical lens in understanding the processes of facilitating acquisition, assimilation, transformation and exploitation of knowledge and information (Zahra and George, 2002). Acquisition includes a firm's capability to identify and acquire externally generated knowledge that is important to its operations. In this component intensity, speed and direction influence absorptive capacity. The intensity and speed a firm identify and gather knowledge can determine the quality of a firm's acquisition capabilities. The greater the effort, the more quickly the firm will build requisite capabilities.

Different directions have been taken to explain different layers and areas of the absorptive capacity perspective. Some of the directions within the theory have been elaborated to further develop the absorptive capacity perspective. Bapuji and Crossan (2005) have through combining social capital and knowledge investigated how the co-evolution of social capital and knowledge underpins competitive advantage (Bapuji and Crossan, 2005), and how disseminative capacity as a mechanism through which knowledge enhances social capital.

Literature of social capital have throughout the bulk described social capital as facilitating access to sources of external knowledge that a firm can absorb if this knowledge is complementing a firm's existing knowledge (Zahra and George, 2002). It is proposed by Bapuji and Crossan

(2005) that the dissemination of knowledge within the firm enhances social capital and that knowledge and social capital therefore co-evolve.

Even though critique have been restrained as the lack of empirical grounding is minimal, the ambiguity and diversity of its definitions, antecedents, components and outcomes the main aim with absorptive capacity's offerings have been unmistakable: to improve firm's ability to gain and sustain competitive advantage through building capabilities based on knowledge and information absorption. These capabilities enable the firm to reconfigure its resource base and adapt to changing market conditions in order to achieve competitive advantage.

As the focus in the absorptive capacity perspective is the quantity of knowledge and information that can be absorbed I find it difficult to apply the perspective to the fashion industry. When reviewing the offerings research has provided within different settings of traditional industries. So far very little attempts to operationalize the different constructs, and thus, rigorous empirical studies remain limited. Even though it is contended by theorists that absorptive capacity are mentioned as a construct for analyzing more complex organizational settings it have still not been developed to embrace the dynamics and problems that challenges the creative industries.

Knowledge transfer mechanisms

A central goal in knowledge management theory has been to develop perspectives of transfer mechanisms (Scarbrough et al., 1999). Current theory that engage various knowledge transfer mechanisms spans a wide area of literature overlapping views of organizational learning (Tsai and Ghoshal, 1998; Nahapiet and Ghoshal, 1998), social capital studies (Kostova and Roth, 2003; Bapuji and Crossan, 2005), and community of practice literature (Prusak et al., 2001: Handley et al., 2006), which makes it difficult to make a clear distinction between knowledge transfer mechanism and the residue of knowledge management theory. The problem of transferring knowledge are considered to be more than a communication problem which could be solved by emails or meetings, but knowledge transfer is more complex as knowledge more than often resides within e.g. organizational members and networks while knowledge can be difficult to articulate. Previous work have identified multiple mechanisms for transfer including absorptive capacity, organizational culture, knowledge sharing groups, learning and training,

technology, and interaction between people in general. The transfer mechanism views vary a lot from transferring large amounts of information and knowledge between MNCs across far distances using technology (Pedersen et al., 2007) to exploration of how weak and strong personal ties in groups can facilitate knowledge sharing on an intra-organizational level (Prusak et al., 2001) by face-to-face interaction. In the latter case the importance of social networks and knowledge transfer in an organization are emphasized by amongst others Cross, Prusak and Borgatti (2001). Ghoshal (1998) for instance insists that personal ties are channels for information and resource flow and differ between weak personal ties and strong personal ties. The closer the relationship is between the source and the recipient that more knowledge the sender is willing to transfer. Consistent with views of Hansen et al. (1999) and Christensen (2005) who argue that intimacy and trust are success factors when transferring knowledge.

Results of the most appropriate transfer mechanism have been based on research conducted in service industries and semi-creative industries such as the IT-industry, and can therefore hardly be adopted to fit the fashion industry that works with a hard-to-transfer knowledge. The major gap in this view is the lack of empirical evidence for which mechanism that is most appropriate in different situations. As the goal with finding the right or a better way of transferring knowledge faster than competitors creates competitive advantages.

2.4 Summary

In short knowledge management builds on the ability to create, share and transfer data, information and knowledge in order to improve organizational performance which has been met by developing IT/IS and methods to facilitate organizational- tacit- and explicit knowledge transfer and sharing. The review of knowledge management literature has highlighted different important developments, controversies, research opportunities and concepts of which most have been discovered, studied and conceptualized based on research within traditionally service industries. In the aggregate knowledge management theory of today reflects many different industry's challenges of managing and sharing knowledge that increasingly encompass a more complex and tacit element which entails remedies that exceeds the capacity of IT/IS-related technology.

Knowledge sharing is a hot topic and constitutes a substantial part of knowledge management literature. Knowledge sharing has only been investigated in the settings of 'normal' industries where 'normal' knowledge is shared. For that reason theory that have been developed on that basis is boundless in its application as it applies to traditional firm's practices and organisations but problems might arise when adopting the same view on creative industries such as the fashion industry. And so there have been no attempts to couple knowledge management and creativity so far and there is no studies that have investigated how creative knowledge is transferred within practical settings. Neither have creative people and creative firms been investigated by knowledge management studies. However, knowledge sharing theory increasingly covers the aspect of more dynamic firm's problem of sharing tacit and complex types of knowledge. Below the main directions, discussions and focal points of knowledge sharing that have been reviewed in this part reflecting different problems of knowledge sharing and the challenges associated with moving knowledge within the firm has been summarized.

	Learning perspectives	Sticky knowledge perspectives	Knowledge transfer mechanisms	Absorptive capacity
Focus	Learning and adapting through knowledge sharing and transfer	Moving best practice On the transfer process	Transfer of knowledge across MNCs	Acquiring information from external environments
Shortcomings	The same learning methods do not apply to everyone Learning is difficult in some settings	Research is based on traditional industries	No research into the creative industries Which mechanism is 'better'	Do not specifies knowledge type or the quality
Developments	Consider how learning can be a way to develop knowledge transfer	Must consider sticky knowledge in output and consider sender and receiver	Research into creative industries	More focus on sender and receiver and the type of knowledge that is transferred

Table 2.2 Summarizing relevant knowledge sharing perspectives from the literature

It is the observations made in this review that led to the initial foundation and motivation for this research on creative knowledge. Within the term 'creative knowledge' lies a strongly focus on the complex creativity shared between creative people which is the exact purpose of the research. This is a direction that entails that creative people in some part of the research must be a focal point. As the analysis will show, the *nature of creativity* turned out to be appearing throughout the case-research and be relevant for the overall findings, which is why it is relevant to mention creativity here. Rather than treating creativity as an isolated term, creativity as a concept, must be understood and accepted in a context as it is rooted in people with different cognitive approaches, belief systems and values.

Based on the literature review which has provided new insight into the framework of sticky knowledge, absorptive capacity, organizational learning and knowledge transfer mechanism we now know more about the theoretical gaps and potential shortcomings which is illustrated in the modified figure below. The four perspectives have been constructed based on research within traditional industries. They work within the context of how 'normal' knowledge are transferred and do not consider knowledge that is accrued by creative people within creative organizations.
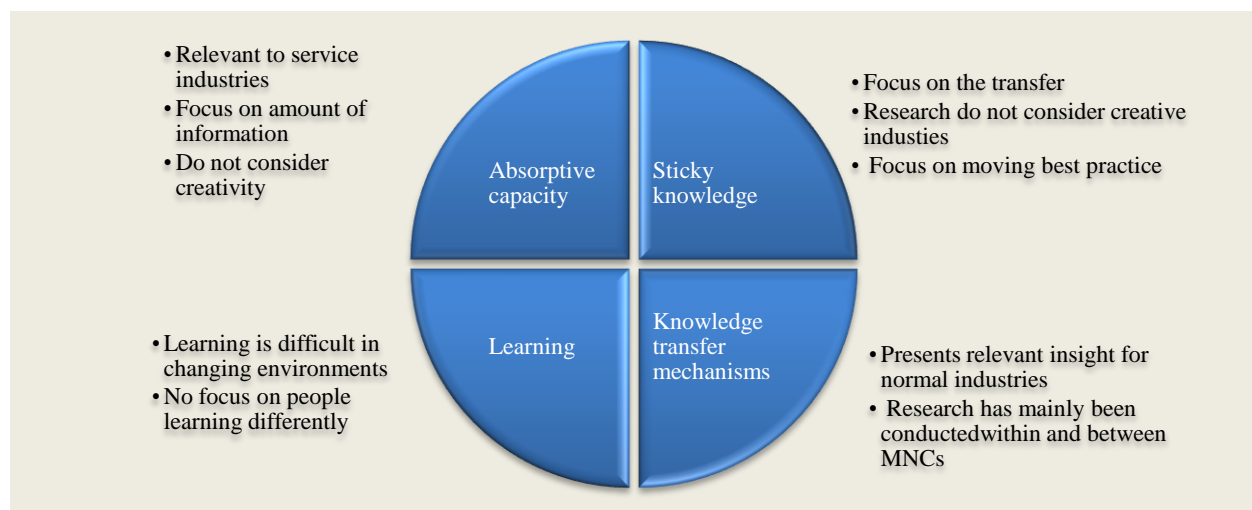

Figure 2 Shortcomings of current knowledge management theory. *Source:* own creation

Before it is possible to add new perspectives to the framework we must consider the empirical evidence of knowledge transfer within the Danish fashion house.

2.5 The Theoretical Gap

Knowledge management theorists have made eager attempts to cover as many aspects of the contemporary issues and challenges corporations faces in an increasingly competitive and knowledge-based business world. Many of the problems encountered by traditional corporations are reflected in knowledge management literature, but some are not or to a very little degree - at best. This is theory based on research on how knowledge sharing within the fashion industry is conducted. As it is assumed that the characteristics and challenges within the fashion industry is different since working with creative people, creative products within a creative organisation, approaches to developing new theory entails a comprehensive understanding of the fashion industry. Having presented the methodology used, reviewed the field of knowledge management and outlined the most important thoughts and understandings it is possible to move on to the more practical research and data analysis. Still argumentation lack, on why this research is important for the field investigated. Based on the literature review the following part does that.

In the following part the empirical settings of the Danish fashion industry will be outlined to get a better understanding of how the theoretical gap of sticky knowledge, absorptive capacity, organisational learning, and knowledge transfer mechanisms can be bridged and what new perspectives the empirical findings can add to the four perspectives that have not already been uncovered.

Part III

3. The Empirical Settings

3.1 Introduction

Before beginning on the case-presentation and data analysis of how creative knowledge are transferred within three different Danish fashion houses, it is necessary first to understand why there is an urge to manage and transfer knowledge and how creativity is the explanation to why current knowledge sharing-theory is insufficient. This is done by outlining the fashion environment from which the fashion house taps knowledge and subsequently why this knowledge must be managed and transferred in the creative design process. Furthermore, aspects of creativity will be scrutinized to clarify why it is necessary for managers to take different approaches when managing creativity. Secondly, I will present the cases that have been chosen for my research by outlining its background and relevance for my research. Thirdly, the data collected from each case will be analyzed and compared before the findings are presented.

3.2 The Danish Fashion Network

Within the fashion industry it is not necessary neither possible to possess all the attributes of fashion design and creativity in-house, but rather it is important knowing where to acquire it within the wider fashion environment. Due to an increasingly decentralization of fashion production, a fragmentation of integrated supply chains, conditions where synergies are obtained with the merge of industry and markets which give rise to hybrid networks and cultures, knowledge has become similar scattered within the fashion industry and is displaced to a global industry level amongst consumers, collaborators, suppliers and competitors and therefore not only limited to internal processes of the fashion house. These circumstances make the industry more complex and opaque and knowledge increasingly more volatile. In the following the fashion network will be outlined to identify potential knowledge sources and the context in which they operate.

3.2.1 External knowledge sources

Inspiration and ideas comes from many different actors both from the local environment and from sources operating in the global fashion environment[1]. This 'hybrid fashion network' consequently creates a permanent flow of rapidly changing information and knowledge that makes it necessary for fashion houses to constantly interact with the surroundings in order to avoid being 'future surprised' about emerging trends and styles (Hines et al., 2007). It is important at this point to stress that the following sources only provide ideas and inspiration, and therefore knowledge are further processed and filtered in the creative design process. This means that the sources in the fashion network by no means are the only ones providing ideas and inspiration but in reality everything; objects and phenomenon inspires and can readily be tapped and applied when starting a new collection. However, the knowledge and information that resides within the more 'established' network have once it is acquired and recognized as fashion become legitimate[2]. The essence of this network is captured in the figure below where the surrounding fashion environment 'provides' the fashion house with knowledge and information.
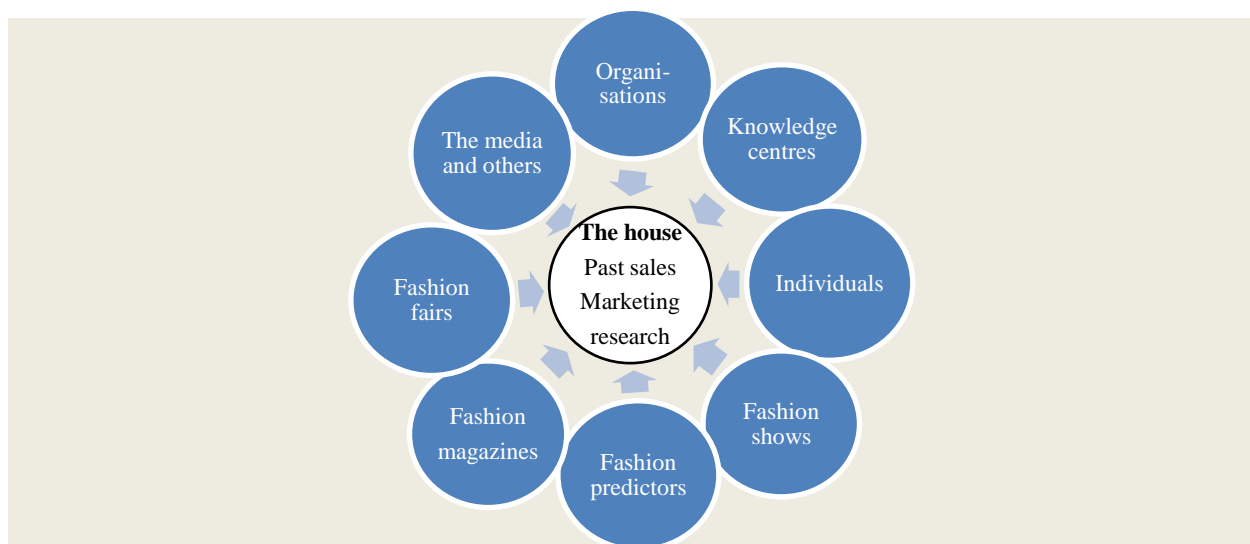
Figure 3 Actors' impacts on the fashion house. *Source:* Own creation

As illustrated a number of national and international societies, actors, organizations and institutions directly or indirectly influence the fashion house with, amongst other, creative inputs

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[1] Interview with Birgit Lyngbye Pedersen (2009) Ph.d. in fashion and design history at CBS.
[2] Interview with Birgit Lyngbye Pedersen (2009) Ph.d. in fashion and design history at CBS.

such as colors, styles, fabrics, moods and looks. As stated in the beginning fashion houses must in order to have a feeling for the fashion directions tap this knowledge and information from the outside world in order to organize for creativity and make creativity flourish in-house. In the following each actor will in turn be considered as to what influence they exert on the fashion houses' creative design process.

Fashion predictors and knowledge centres

Fashion predictors and knowledge centres influence everyone in the value chain by providing inputs to processes and products, markets and trends. Three of the most important ones are Danish Fashion Institute, pej-gruppen and TEKO. Pej-gruppen[3] is a company that provides knowledge and inspiration about fashion trends by i.e. organizing annual fashion fairs. TEKO[4] is a fashion institute of education which also includes an inspiration centre that provides the industry with knowledge about forthcoming fashion trends. Danish Fashion Institute[5] is a rather new actor within the Danish fashion industry and despite its short life they have become increasingly influential as they support organizers behind Copenhagen Vision[6]. Danish fashion institute is a fund in which the overall aim is to act as a network facilitator for the Danish fashion industry by improving the industry home and abroad.

The major international knowledge centres like Paris, London, Milano and New York which still are considered the most influential cities[7], influences to a big degree what is ultimately produced and market in Denmark hence they are mentioned here. These cities work as switching centres within the network where ideas and synapses of the total system are filtered and processed. Danish designers have long found inspiration in foreign countries[8] and with online fashion predictors they can acquire the same information easier as catwalks is available online. Worth Global Style Network[9] (WGSN) are a London-based organization and one of the world's leading online research and trend analysis bases that specializes in predicting styles, colours and news

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[3] pej-gruppen is a Danish owned company that since 1975 have facilitated knowledge and inspiration to amongst other the Danish fashion industry.
[4] TEKO is Scandinavia's largest design- and business school.
[5] Danish Fashion Institute is a new knowledge providing company that help with fairs like CIFF.
[6] Copenhagen Vision is another rather big fashion fair
[7] Interview with Birgit Lyngbye Pedersen (2009) Ph.d. in fashion and design history at CBS
[8] Interview with Birgit Lyngbye Pedersen (2009) Ph.d. in fashion and design history at CBS
[9] www.wgsn.com

for the upcoming seasons. By interpreting market pulse into new styles and predictions fashion is accelerated and made more utilizable for fashion houses including Danish ones. These major knowledge centres accelerates fashion based on interpretations and by monitoring global socio-economic and cultural changes which have been identified as major determinants for emerging fashion world wide (Manlow, 2007; Hines et al., 2007).

Fashion shows and fashion fairs

In general fashion shows are known to be an opportunity for fashion firms to amongst other broadcast their ideas. Especially fashion shows held in Paris, London, New York and Milano works as an inspiration source to the rest of the industry. Also Danish fashion houses use fashion shows for inspiration either when travelling to the host city or by acquiring it online.

Copenhagen International Fashion Fair (CIFF) arranged by Federation of Textiles & Clothing, Copenhagen Vision arranged by Danish Fashion Institute and the latest fair Goldfinger is three of the most important and far reaching fashion fairs in Denmark and Europe that attract a number of important Danish fashion houses and some international ones as well such as the Copenhagen fashion Week (Tran, 2008). The fair have become increasingly more recognized for Danish fashion houses to showcase their new collections but the fair also work as a centre for knowledge sharing and exchanging of ideas[10]. Copenhagen Fashion Week is popular and people gather to the fairs two times a year to spot out the latest ideas and trends for forthcoming seasons.

Fashion magazines

It is well-known that one of the most influential *gatekeepers* within the industry is directors of the most influential fashion magazines as for example Claire, Vogue (USA), Cosmopolitan and Elle. Also in Denmark fashion magazines are considered of some importance[11]. Danish fashion houses subscribe on various magazines, look them through to find inspiration and new ideas early in the creative design process[12].

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[10] Interview with Birgit Lyngbye Pedersen (2009) Ph.d. in fashion and design history at CBS.
[11] Interview with Birgit Lyngbye Pedersen (2009) Ph.d. in fashion and design history at CBS.
[12] Interview with IC Companys, Baum und Pherdgarten and Katrine Cahrs (2009).

Organizations

A rather influential organization is Federation of Danish Textile & Clothing[13]. They provide members with information on various subjects including environmental and market related issues. Furthermore, the organization organizes Copenhagen International Fashion Fair. In that way they are big drivers in terms of trade laws, but also in more creative way as they mainly provide established and commercial fashion companies with knowledge of a more creative character.

Other sources of inspiration

Fashion houses or rather the designer also tap values and inspirations that are neither utilitarian nor commercial but stems from multiple experiences and observations of the society at large, but for the purpose of the thesis' foci I will only specify a few familiar ones: For example from the performing and visual art, when travelling, from architecture and landscapes, café visits to name just a few, are able to trigger creative people to imagine and create. It is a normal practice for fashion people to absorb from a café in different cities while having a business meeting which for many seems non-productive and a waste of time, but have actually shown productive for many creative industries (Bilton, 2007). Finally, more obvious sources like film, music and TV in general are also widely acknowledge as inspiration and idea-facilitators for designers (Manlow, 2007).

3.2.2 Internal knowledge sources

Marketing research and past sales

To learn more about their customers and their consumption patterns fashion houses collect data, information and knowledge through marketing research and by keeping track on past sales' best sellers. This is useful insight that the fashion house can draw on in the creative design process when going into idea creation and product development. This makes the need to continuously conduct marketing research and manage data, information and knowledge a main task for the fashion house as demand change very fast, which render information and knowledge obsolete in

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[13] Federation of Danish Textile & Clothing is a Danish organization that provides legal, economically, and market information to the Danish fashion industry.

no time. This knowledge is predominantly statistics and figures but can also include ideas for design concepts, narratives and looks that have potential for new collections.

3.2.3 The urge to transfer knowledge

As illustrated inspiration and ideas for new styles and looks are 'orchestrated' by different actors within different fashion societies that collectively form a global fashion network. It is important for the fashion house to interact with this fashion network in order to gain access to information and knowledge that is useful in the creative design process. Within this process there is an urge to transfer knowledge because both market and production constraints need to be integrated into the process, which requires people with diverse skills and functions to work together on various projects at the same time, which makes processes very dynamic and complex and calls for people to transfer knowledge to produce successful fashion products. Designers need to be familiar with marketing and branding strategies in order to come up with design that fits the brand, and marketing people need to be familiar with design ideas and new looks in order to brand it. This is important as design and marketing jointly provide the clothing with identity and image (Hines et al., 2007; Tran, 2008; Easey, 2009). As fashion clothing is a combination of design and marketing techniques for clothing to be unique knowledge of color, style, fabrics, must be transferred not only between designers but also across functions like marketing and design and product development as explained. This is a process where the importance of creativity comes into play. As information and knowledge from the outside are acquired they have to be further validated inside the creative design process to ensure the findings can be modified to fit brand and design, which is a creative process.

3.3 Creativity and its Context

Besides the very dynamic market environment another point characterizes the Danish fashion industry – this is creativity. Creativity is also very important in order to understand the purpose of this research and why current theory of knowledge sharing might be insufficient. When rejecting current knowledge sharing-theory introductorily because it does not, amongst other, cover the aspects of creativity, I imply that creativity is special since new directions must be given, to develop theory that can embody creativity and cover the aspects of transferring creative knowledge. In order to justify this research and the empirical phenomena investigated the linkage

to creativity must be made clear at this point as to why creative knowledge is special and current theory requires new directions. In other words; how to transfer the knowledge that is tapped from the described knowledge sources above can easily be explained through the lens of current knowledge sharing-theory, which would render this study redundant. For that reason it is important in the following to demonstrate, why exactly, theoretical approaches must be different when creativity is involved, why creativity needs special attention when coexisting with management, and why new theory must be developed for the sake of coping with creativity. In this conflict lies the observation that creativity is fragile and a scarce resource hence it is easy to kill in management processes and it does not flourish in all environments, which is why knowledge management must consider aspects of creativity before new theory will be sufficient.

3.3.1 The creative design process

The creative design process and the creation of fashion design are for many veiled in glamour and magic, but in reality it is hard work and a lot of people are involved in the process of getting the most trendy and fashionable products out in stores in time when demand peaks. For that to happen there is a lot of diverse activities and functions that have to be coordinated and executed in a relatively short time by people with different specialized skills. The fashion house is by no means loose in its planning, but must walk a fine line between creativity and commerce that makes planning, motivation and communication paramount for maintaining this balance.

In the figure set out below, creativity is at the heart of the fashion house affecting various activities within the creative design process. The figure depicts how creativity is deep-rooted in most activities and tasks associated with producing fashion clothing and how creativity has multi-faceted relationships and potentially affects all areas of the company strategy. However, fashion houses do not only have to organize for creativity in the creative design process, but also different other concerns must be balanced for, around and sometimes against creativity which makes it important to clarify how creativity works in a context in order to understand why managing creative work requires a different and 'softer' approach to control and command.
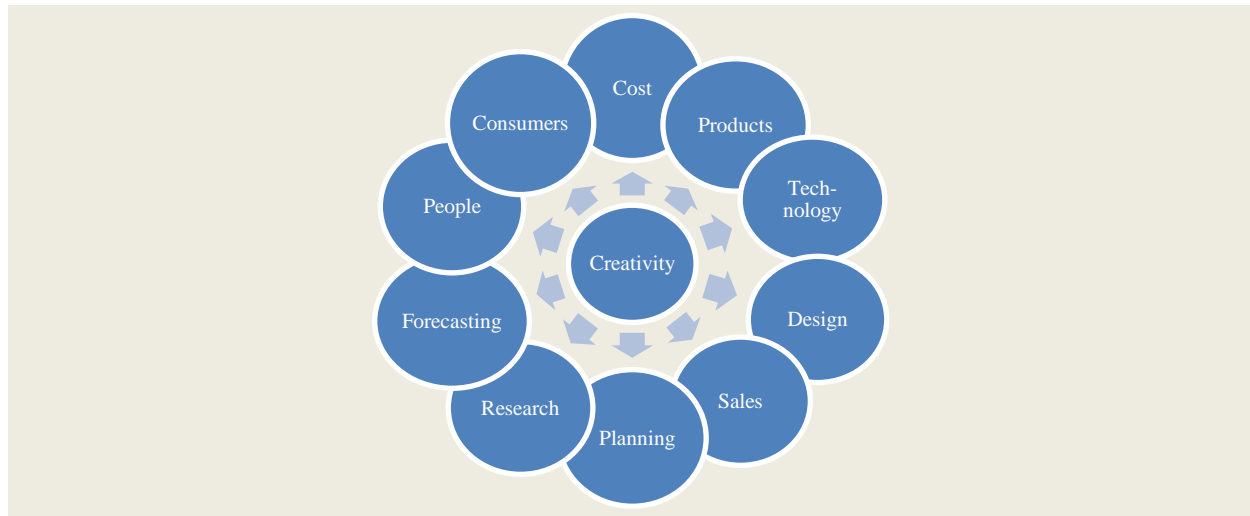
 Figure 3.1 The influence of creativity. *Source:* Knox (1989) in Hines et al., (2007)

Fashion products, creative people and creative processes

Customer demands change rapidly within the fashion industry hence product cycles are short, which force fashion houses to quickly respond to new market demands by launching novel and diversified fashion products in a continuously stream to obtain contemporary competitive advantages.

The fashion product is important for the fashion house as the identity and brand of the fashion house lies in the distinct design of the fashion product, which makes design a central activity for successful fashion products[14]. Besides having the purpose and ability to touch consumers emotionally or through narratives the fashion product has been created by designers that genuinely care about the originality and aesthetic of the design. They express pride in or concern for the quality of their work and the design they turn out in the creative design process[15]. Nonetheless, personal features and creativity are balanced and compromised with concerns of productivity, deadlines, budgets and price. Therefore the fashion product is a result of a complex process where creativity is balanced with other external concerns in order to deliver fashion products in time. In this process planning is important but creativity makes planning difficult as there is a natural element of uncertainty and unforeseeable product outcome due to the nature of creativity.

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[14] Interview with Birgit Lyngbye Pedersen (2009) Ph.d. in fashion and design history at CBS.
[15] Interview with Birgit Lyngbye Pedersen (2009) Ph.d. in fashion and design history at CBS.

Scriptwriters, art directors, designers and to some degree marketing people are the creative people within the fashion house. These are the people that first and foremost provide the fashion clothing with value through design and branding activities hence they are important to motivate as they are the cornerstone to creativity and innovation within the organization. Creative people are known to be intrinsically motivated where the corporate culture, the challenge of the task and the freedom of expressing artistic skills rule against extrinsically motivations such a pay, contract and promotions. Consequently an example is that designers will leave if not challenged enough through diverse projects, or not being able to work freely on projects or simply not inspired through the work environment (Bilton, 2007). Therefore it is important to firstly set aside traditional management techniques and secondly provide and maintain a supportive context for the creative individual to thrive and work freely which aims to remove constraints in order to release novel and surprising ideas. This makes motivational behaviors important and even more difficult to control in the creative design process compared to traditional work processes that are none-creative.

As touched upon earlier competition in the fashion industry is to a significant degree driven by a search for novelty in products which can only be achieved through combining knowledge of design, marketing, product development, creative minds and an overall management making sure these activities are executed on time while meeting budgets. Within the fashion industry projects are typical organized around and in teams and appose to other creative industries the teams in the fashion industry are durable as members stay in the same teams during a variety of projects. The members in the teams have primarily specialized skills, and tasks, and processes can in contrast to other creative industries be standardized to a degree which secures some control of the creative processes which makes them less vulnerable and complex than for example in one-off projects. Teams are in general self-governing and approaches when working on a new collection can vary a lot both as to what degree creativity and marketing should be the main driver, where and what will be the main source of idea and inspiration, and to what degree management are involved. When working in a more fluid and multifunctional system designers, marketing people, and art directors must split their focus between their own specialist discipline or task and its relationship with the project as a whole, which makes communication between different functions vital. In that way not only creativity is important but must before it is useful fit into and

be balanced with other important activities such as branding, timing, and cost. Managers that have to balance these very different activities must ensure creativity and creative people thrive in the processes where creativity sometimes is subsumed under other concerns.

In summarizing the Danish fashion industry it is noted that the fashion industry is in constant change without progress. Knowledge is generally found on a global industry level. The industry is dynamic due to a range of actors and elements that influences each other and the single fashion house. Within the creative design process creativity is important in terms of output, but requires management of a special character to ensure creativity and an environment in which creativity can prosper, while meeting deadlines, budgets and demands of productivity. Planning for product output is important due to the nature of creativity. Motivating creative people must be understood by managers working within the fashion industry as the approach must consider intrinsic rewards in contrast to employees driven by extrinsic rewards. In the following the case study will look more into these issues in order to extent current knowledge management theory.

3.4 The Case Study

Before starting on the data analysis, it is necessary to get a thorough understanding of each of the three cases. This part of the thesis will outline the background and relevance of the cases, the case selection and explain the context in which they work. The purpose is to get a basic insight into the different cases' challenges of managing knowledge within the creative design process.

3.4.1 Case selection

It was considered important for the research to have enough cases to be able to compare them to each other, while still being able to conduct appropriate research, data collection and within-case analysis on each one of them. Three cases were chosen in the end. This relatively small number of cases and the qualitative method utilized, made it important to choose carefully as a bad case-selection could have negative effect on my end results. As Eisenhardt (1989) argues that random selection is neither necessary, nor preferable a number of criteria were established to decide on the cases relevance. To make the case-selection more comprehensible, a large number of potential cases and types of fashion societies were placed on a graph arranged after degree of anticipated need for transferring their creative knowledge.

The criteria used for the case-selection were:

• A balance of creativity on the one hand while being commercial orientated on the other.[16]

• A clearly defined data, information and knowledge flow within the creative design process, which was fundamental for the attractiveness of the case.

• A broad case diversity to make sure that the results of the findings did not just cover a small very similar type of company settings. Three very different types of cases were chosen, based on six variables which is: business model, size, brand, age, market segment and success. This would secure that there was data on the subject and make it easier to find the right respondents. As the type of fashion firm had been running some years more experiences and data was likely to have been made on the subject.

• Willingness to cooperate. The last and most important issue was that the respondents should wish - and be able - to cooperate. This was to ease the practical aspects of conducting an interview and get sufficient material of the necessary validity from the fashion house. Also the motivation is bigger, when the contact person supports the process and finds the research interesting.

The cases that were actually used and the criteria ratings are outlined below. The three cases are very different which calls for an approach to data analysis that is able to pinpoint all the focal points within the three cases in a structured way.

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[16] The way the level of creativity has been measured and decided upon is taken from Yen Tran's study: Fashion in the Danish experience economy: Challenges for Growth 2008 page 77.

Case	IC Companys	Cat-Kahrs	Baum und Pferdgarten
Level of creativity	☆ ☆	☆ ☆ ☆	☆ ☆ ☆ ☆
Knowledge flows	☆ ☆ ☆	☆ ☆	☆ ☆ ☆
Business model	Market-driven 'Giant'	Design-driven Start-up	Design-driven Talent
Fashion brand	Jackpot and Cottonfield	Cat-Kahrs	Baum und Pferdgarten

Table 3 The cases

Data analysis approach

A separate within-case analysis was made for each of the three cases to analyze the data (Eisenhardt, 1989; Yin, 2003). To secure an open approach, which was not influenced by the limits of expectations, each case analysis was initiated by an open coding walk-through of the primary case data (Andersen, 2009). From this the most relevant issues were highlighted and reflected upon. This way of data mining secured a systematic analysis of the most important data (Saunders et al., 2007). The findings were used to make a framework of what to look for in the rest of the case-material which eased the process of 'crunching' the data. The most relevant arguments, were placed in a table, discussed and compared with the first data analyzed. The findings were compared to the current theory to oppose or further validate the findings. Eisenhardt (1989) argues of the importance of this as linking results to the literature is crucial when building theory because the findings often rest on a very limited number of cases, which is the situation in this research. The most interesting findings from each of the cases were further analyzed in the cross-case analysis. They were compared with each other, one by one, to get an overview of which findings were similar across the cases. Each phenomenon was then discussed separately in comparison with theory and the other findings to get a more sufficient picture and to strengthen the findings. If the findings from the within-case analysis were interesting enough

and deemed to resemble each other considerably, a finding was formulated to explain the tendency in the cross-case analysis. The findings were further compared to each other and analyzed to get an understanding of potential interconnectedness. In this way a more holistic picture was provided, to answer my research question.

For each case interview the ambition was to make sure that there was a marketing professional, a designer and an additional creative person such as an art director in attendance. This sample was preferable for three reasons. Firstly, for pragmatic reasons as no single employee would be able to understand and answer all my questions posed in my forwarded interview guide, as it pertained to marketing, design and other semi creative tasks. Secondly, my interview guide reflected the creative design process relative complexities wherefore a mix of people would cover as much of the process and therefore as much of the knowledge processes. Thirdly, by ensuring a representative group of employees I was hoping that it would make people more willing to explain and automatically complement each other for the benefit of the interview results.

The objective with the interviews was to obtain as much possible insight into the creative design process while building inter-subjectivity between the respondents and myself. In order to achieve this I decided to make the interviews progress over time, which is why the interviews were divided up into different rounds with different purposes. This provided the respondents and me with the opportunity to continuously adjust my understandings of the creative design process and what knowledge the respondents held. In the first round of interviews I explored and identified the areas of interest to my research. Thus, the first meetings with designers and marketing people served to identify the area in the creative design process that would be interesting to investigate. Based on this more explorative phase I could better decide on how to proceed with the actual case interviews.

The interviews for the cases are illustrated below[17].

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[17] For more information about the interview guide and the people interviewed see appendix 7.2

Case	IC Companys	Cat-Kahrs	Baum und Pferdgarten
Purpose of interview number one	Overview	To explain the concept of knowledge transfer and purpose of the interview	Overview
Purpose of interview number two	Insight into the creative design process	Insight into the creative design process	Insight into the creative design process
Purpose of interviewing the designer	To understand designers role in knowledge transfer Mette Roodhaven (MR)	To understand designers role in knowledge transfer Catrine Kahrs (CK)	To understand designers role in knowledge transfer Helle Hestehave (HH)
Purpose of interviewing the marketing manager	To understand marketing's role in sharing creative knowledge Tina Madsen (TM)	To understand marketing's role in sharing knowledge Peter Kristensen (PK)	To understand marketing's role in sharing knowledge Christian Hansen (CH)
Purpose of interviewing the art director	To get a full picture of the knowledge processes Camilla Kahrs (CK)	To get a full picture of the knowledge processes Peter Kristensen (PK)	To get a full picture of the knowledge process Camilla Cancelliri(CC)

Table 3.1 Data and interview description

3.4.2 Case description

Case 1: IC Companys

IC Companys (ICC) is a Danish listed group formed in 2001 by the merger of Carli Gry International and InWear Group. The two brands were merged in order to establish a leading Northern European fashion house with a view to economies of scale, a stronger position towards wholesale customers, a larger combined retail distribution and possibilities of establishing multi-brand concept stores. ICC design and sell a product portfolio of clothing to quality conscious consumers between 18 and 45 all over the world under 11 different brands. Each of the brands has a market-oriented management who handles market positioning, design, product

development and marketing. Over the last 5 years ICC have expanded heavily on the international fashion scene by pursuing their multi-brand strategy of acquiring new brands to the portfolio which

Case 2: Cat-Kahrs

The fashion brand Cat-Kahrs (CK) is a small start-up design house situated in Copenhagen with three retail outlets spread throughout Denmark. The founder behind CK is Catrine Kahrs – an ambitious and promising designer educated in Denmark and England. By designing mainly sweaters in a timeless design, in different fashion colors and fabrics she combines classic cuts and good quality for women in the age of 20 to 50 years of age. Most of the design and production takes place in Denmark. CK is a craftsmanship house with a desire to create classic designs in various fabrics and colors. Most of the ideas and inspirations to new collections come from own ideas and visions through monitoring the target segment and by talking to lead-customers hence a lot of designs are to a degree user-innovated. Fabrics are shipped from the Far East and from Italy where ideas and inspiration for new ideas also are acquired from. CK is a small house thus representing knowledge transferring within minor settings and thus representing a bunch of Danish start-up fashion houses that have emerged lately.

Case 3: Baum und Pferdgarten

Baum und Pferdgarten (BP) is an emerging fashion house and fashion brand that have experienced growth in Danish and foreign markets in recent years (Annual Report, 2008). The brand was founded in 1999 by two Danish designers; Rikke Baumgarten and Helle Hestehave fresh out of the Royal Danish Academy of Design. The BP brand is sold in more than 20 countries around the world and since its beginning the fashion house has been granted with various prizes and nominations for their creative designs. The organization counts around 20 people mainly of creative roles such as designers, marketing and art directors (Annual Report, 2008). The head office is situated in the heart of Copenhagen and as with most other Danish fashion houses BP have moved their production to Eastern countries which leave only design and brand management in Danish hands (Annual Report, 2008). The distinct BP design looks are colorful, fanciful, beautiful and playful all in all design that is very creative wherefore BP was an obvious case when studying how creative knowledge is shared in practical settings.

3.5 Case Findings

In this section the primary data will be structured and initially each case is analyzed separately. The most interesting and corresponding observations are further analyzed and compared in the cross-case analysis, in which a number of findings are presented. Lastly the context and connections between the emerging findings are outlined and compared with current knowledge management theory.

3.5.1 Within case analyses

According to Eisenhardt (1989) there are as many approaches to case analysis as there are researchers. She argues that the overall idea with the within case analysis is to become intimately familiar with each case as a stand-alone entity.

It is paramount for this research to follow this line of thought as an understanding of the unique patterns that can be found in the within case analysis is a precondition for making generalizations across the three cases which is why the purpose is to analyze each case separately. The setup of the within-case analysis is the following for each case: Initially the perspective of the case itself is outlined. The dominant findings are presented in a table which sums up the interesting focal points. Finally a conclusion is made on the case. The findings in the within case analysis serves as basis when searching for cross-case patterns.

3.5.2 Case 1: IC Companys

Knowledge transfer was in general perceived as a practical necessity within the creative design process in order to get the job done (TM). It was considered a part of socializing and a natural process employees would engage automatically when producing fashion products due to designer's natural interest in fashion and design (TM). As such the practice of exchanging ideas and insights was not addressed as 'knowledge sharing' or 'knowledge transfer' by the respondents interviewed, but rather a question of exchanging ideas and thoughts to create cool fashion products by team working (MR).

Knowledge transfer

ICC starts a year before the launch of a new collection by tapping inspiration and ideas from different sources in the 'global world of fashion'. For example would designers spend time by looking at current fashion clothing in Denmark, namely in outlets in Copenhagen where they would note what fabrics, colors, styles etc. that characterizes the current fashion scene. This is an explorative phase where TM mentioned that designers also would be open towards inspiration from fashion magazines and from different fashion catalogues which could be useful when looking for a common thread in styles and looks. In order for designers to confirm their intuitions they would travel to different destinations and cities where ideas and inspiration are likely to blossom and where new ideas can be accelerated. Upon their return designers would discuss their findings with other designers to align ideas and trends which were reported back to the design executive (MR). In this process knowledge are very emotionally and stems from the experiences that the designers have made in the exploration phase which makes it important to interact face-to-face with other designers. Parallel with this creative process and often before, the overall theme of the collection will be settled upon. The process of capturing the right theme and mood is also a collective process where a scriptwriter will participate to draft a story for the theme which is based on the inputs provided by designers and marketing in order to capture the right mood for the collection (TM). This was a playful process where most inputs are difficult to define and even more difficult to trace back as they are based on imagination and free thinking.

In this process information are exchanged face-to-face between designers, marketing people, art directors and scriptwriters. When a theme have emerged a process of photo shooting takes off which again involves a great deal of hunches and experimental minds. When the ideas and drafts have been finalized they are presented for the rest of the house on more formal meetings. As processes are very creative there was a general agreement that in this part of the course manages role should only be to observe processes and keeping an eye on deadlines, budgets and results from the different processes (TM).

Knowledge transfer challenges

When the actual design activities sets off creative knowledge would be transferred between designers and the rest of the house which took mainly place in small teams of designers, marketing people and art directors that mutually on a day-to-day basis exchanged ideas,

inspirations and experiences of design and fashion related subjects which made it important that time and space for talking and exchanging ideas was granted by managers. It was mentioned by MR that 'feelings' and 'sensing' as to what knowledge that was relevant to transfer and share with fellow colleagues was the most reliable guide when transferring knowledge in the creative design process (MR). In terms of the knowledge transfer challenges it was first unintelligible for ICC (or at least for the respondents I talked to) what challenges that would hinder the transfer of knowledge and what the solutions to overcome these challenges would be. It was the designer's general view that the knowledge of how to create new fashion most of the time would remain within the head of the designers as feelings and hunches and therefore difficult to share with colleagues (MR). Overcoming these challenges seems to be done by providing a work environment where communication, interaction, conversation and an open door policy to brand managers would become a part of the everyday work processes (CK).

Despite ICC's size, project teams working under a single brand counted less than 10 people including designers, marketing people and art directors which made it possible for people to share their experiences and insight across different functions relatively easy (TM). Within these teams specialized knowledge was accordingly possessed by various people within marketing, design and art direction but after working together on many different projects people got familiar with new areas (TM). For example storing knowledge was considered more or less useless as a rapidly changing environment would render knowledge 'old news' and irrelevant when starting a new collection which made it necessary every time to search for new ideas and inspiration before start working on a new collection. In this process which was mainly managed by designers, hunches and sensing was the best way of judging whether a certain style or trend would make it to ICC workshop (MR).

Activity:	How	What	Why
Knowledge transfer:	Face-to-face interaction and informal conversations everyday Between people and across different functions and teams On meetings and in casual ways	The most important knowledge to transfer pertained to ideas when producing the fashion product which was tacit knowledge mainly	To build stronger teams able to produce better fashion products To make creative processes better and more efficient
Knowledge transfer challenges:	Challenges pertain to the nature of creative knowledge which is based on feelings, hunches and 'knowing as sensing' which is difficult for designers to express and transfer	Especially knowledge from designers own ideas was difficult to share and transfer as they are based on feeling, hunches and sensing	Transfer challenges arise due to a relaxed environment that promote communication slack Nature of tacit knowledge
Solutions to knowledge transfer challenges:	Continuously interaction and open door policy to management Creating a social environment where talking is a necessity to get things done	To share knowledge only between designers and to a less degree involves marketing	Solutions to transfer problems should enable ICC to build a better social life and improve communication

Table 3.2 Focal points of IC Companys' knowledge transfer processes

Conclusion on IC Companys

On the whole it can be concluded that the challenges of transferring knowledge within the creative design process relates to a creative knowledge that is based on 'knowing as sensing' where for example feelings, hunches and improvising creatively are elements that makes it difficult for creative people to both express and transfer what they know. The best way for ICC to organize for these conditions is evidently by transferring knowledge across and within small flexible partially self- governing teams of marketing, design, art direction and management through face-to-face interaction and day-to-day conversations. The challenges were furthermore believed to be overcome through a continuously interaction and an open door policy to management and between the different functions while providing space and time for people to discuss freely which would strengthening social ties, make teams more intimate and closely knit which should create a better foundation for facilitating knowledge transfer easier and faster.

3.5.3 Case 2: Cat-Kahrs

Knowledge transfer within CK was modest and difficult to capture and analyze as they rested on design practice and knowledge that the owner of CK could not at first explain. Ideas and

inspiration to new designs would come from a range of sources such as magazines, fashion fairs and by ordering test samples from suppliers home and abroad and what the owner addressed as psychological reactions to what she encountered in the society. Ideas were subsequently discussed with the rest of the house to find a direction for colors, styles and looks. However, most ideas was difficult for CK to explain as they were based on a hunches or feelings what she felt was the right way to go in terms of design ideas and where to look for inspiration.

Knowledge transfer

In this phase the knowledge was transferred face-to-face with mainly marketing in order to compare ideas for upcoming designs. Knowledge resided mainly in the head of the owner wherefore all design ideas were to go through only one person when transferring it. Ideas was evaluated and in order to ensure one direction they were compared to earlier work and aligned with the brand of CK and sometimes 'approved' by lead-customers before put into production. Color and fabrics was the main features for decision making in the creative design process which would be decided from earlier products success rate and by the trends and tendencies of current fashion directions. This knowledge was subsequently shared with the rest of the house on meetings but often more informal on a day-to-day basis when working. CK explained that most ideas and inspiration were based on hunches and in a confidence in her own skills of being able to sense and interpret trends as the emerge and she furthermore insisted that this skill could not be taught. In making sure that the most of her ideas were transferred to marketing and designers she would always interact face-to-face with people in her network.

The sweater style is classic but would still follow the main trend in silhouette and color which made it necessary for CK to keep contact with marketing and sales to forecast general changes in demands. But problems were also quite common when transferring ideas. CK explained how difficult it was to transfer her creative ideas with people in 'distributing' her knowledge to for example marketing. There were, however, confusions about what knowledge that was shared and what knowledge that was supposed to be shared to ensure better fashion clothing. In terms of the challenges of transferring knowledge within the creative design process of a start-up fashion house issues are associated with having the time to structure the different ideas and inspiration sources and taking a more managerial approach to designing the products. At the moment due to

CK's current size and production capacity knowledge were not given many thoughts besides transferring it every day. This being a contradiction that was grounded in an attitude that transferring opinions about design and fashion in general was something designers have always done but not in a structured way.

Activity:	How	What	Why
Knowledge transfer:	Face-to-face interaction on an everyday basis Between individuals e.g. designers marketing	Knowledge of how to find information and knowledge in the fashion network	Knowledge transfer was important to get the job done Create better fashion
Knowledge transfer challenges:	No attention to the importance of transferring knowledge Weak social ties	CK's own design ideas which were mainly tacit knowledge and based on emotions and improvising	Knowledge transfer processes and communication channels are still on an early stage
Solutions to knowledge transfer challenges:	Not considered But improving communication was however mentioned	To share knowledge only between designers and to a less degree involves marketing	CK have not come up with solutions to how to overcome the challenges of better transferring knowledge

 Table 3.3 Focal points of Cat-Kahrs' knowledge transfer processes

Conclusion on Cat-Kahrs

The challenges of transferring knowledge with CK were mainly due to the nature of creative knowledge that was based on only one person's imagination and outlooks. This made knowledge transfer processes to always involve the owner if any knowledge should be moved. To better explain her ideas and what she envisioned there was a high degree of face-to-face conversations where knowledge were transferred as anything else would be too ineffective and most likely bound to go wrong as design ideas was seen as a volatile substance. The owner improvised creatively as ideas would come to her suddenly when searching for inspiration and ideas in the society which CK could not express or transfer hence knowledge often remained inside her own head. However, in overcoming these transfer challenges CK was committed to always communicate with designers and marketing people in order to transfer knowledge and build stronger social ties through working closer on new sweater collections.

3.5.4 Case 3: Baum und Pferdgarten

As BP's design philosophy clearly shows it values a lot of the same issues that are investigated in this thesis. Creativity in general was an important influence on BP's strategy and their actions in all their different business processes and knowledge transferring process. The design functions worked within and around a very creative environment where knowledge most of the time was based on hunches and past experiences that resided in the heads of the designers (HH). To a degree the design process was a playful space where creativity could unfold and foster new ideas and thoughts without for sure knowing the outcome of the process or without a goal have been stated prior to the process to ensure people was working in the same directions (CH). As BP paid attention to the process in which creativity is a central element the results was considered to be valuable only if the process was artistic and liberated from constraints of productivity and efficiency.

BP's approach to the creative design process initiated with an inspiration phase where designers would find inspiration in literally anything. Searches were, however, mostly made in different fashion magazines, by attending fashion shows, observing the current trends and by travelling around Europe to seek new perspectives (HH). The findings were discussed and 'transferred' between designers to evaluate what could be used in the actual design process. The challenges of transferring creative knowledge in this process was according to CH and HH a problem related to designers way of working as they could work in total isolation when brainstorming and come up with raw ideas that not always would have anything to do with clothing or fashion based on different visions that was impossible for example for marketing and management to understand.

The easiest and most safe and effective way of transferring knowledge at BP was by talking everyday which the environment at BP facilitated by working in open spaces where everybody knew where to find each other and what the person knew in order to get the job done. But the more creative and design related ideas and outlooks was restricted to designers and their abilities of tapping emerging trends and make it foster new

There was a wider gap between designers' way of working and that of marketing. As the role clarity of designers would be of a creative character the role of management and marketing was

first and foremost to ensure brand control. Sales information was to a lesser degree deemed as a guide for future collections as there was a philosophy at BP of never 'selling out' by capitalizing on past trends and fashion by creating slightly similar products with a few corrections to ensure turnovers. Knowledge was not transferred only to ensure better fashion. Instead it was the single designers' ability to create something new and create a demand which was the primarily way of thinking. Knowledge resided mainly in the heads of the designers and there was a greater wish to establish an identity within the house of who BP was as a design brand.

There was no wish for BP to enhancing any knowledge processes or brainstorming processes which was a common way of describing the processes that involved thinking; creating and developing new design ideas. Most management project was rejected as there was a firm belief that knowledge transfer or exchanging ideas would never be a valuable if it was to be managed by people with no design experience or insight into design and fashion. As inspiration BP worked in more alternative ways as inspiration would come from many of the sources described earlier, but also from more artistic sources such as art exhibitions, architectures and other fashion houses abroad that would have an even more radical approach to fashion design.

Activity:	How	What	Why
Knowledge transfer:	Face-to-face, by informal talking and conversations across functions and activities	Knowledge of how to make better design and more experimental design Tacit knowledge	Knowledge transfer is difficult within BP but management envision it would improve design processes
Knowledge transfer challenges:	Problems for designers to explain their creative ideas as they were embrained and emotionally and mentally created.	Designers and marketing had different goals and visions, but would still be able to share information and knowledge in the creative design process	Challenges arise due to a difference between designer's skills and visions and marketing and management way of thinking
Solutions to knowledge transfer challenges:	Focus on interaction and the process of coming up with new creative design Knowledge was first and foremost found in the head of designers	Learning by doing Make people better to work in teams and make people interact in teams Talking everyday	Solutions was to build a better design environment and make people socialize with each other Improve processes

Table 3.4 Focal points of Baum und Pferdgarten's knowledge transfer processes

Conclusion on Baum und Pferdgarten

The challenges of transferring knowledge for BP pertained to the very experimental and obscure kind of complex knowledge that is fundamental for BP's very creative and unique design but confined to designers most of the time as transferring it was extremely difficult. Especially in the initial phase knowledge was difficult to transfer as knowledge was embedded in designer's abilities of getting spontaneous ideas about how design and look should be for a given collection after making field research. In overcoming lack in communication, knowledge transfer challenges and enhancing social ties BP was organized in small teams that were working closely together on different projects which made it possible for any employee to ask and share knowledge face-to-face with a fellow colleague when needed. Yet, big parts of the creative knowledge were still difficult to transfer as it was embedded in designer's perceptions and hard to share with the rest of the house.

Having conducted within data analyses it is evident that the three fashion houses transfer knowledge similarly and face the same kind of challenges which mainly pertain to the nature of creative knowledge which is extremely tacit and the location of creative knowledge which reside within the fashion network and in the heads of designers.

3.6 Presenting the Findings

The within case analysis have lead to a number of findings on how creative knowledge are transferred and the challenges associated with the transfer process. These categories have been compared to the other cases to see if they had similar findings or if they were one off's or even oppose each other. This provided a full picture of which findings corresponded throughout the cases. In the following section the logical argumentation leading to each finding is outlined and they are reflected upon. The new findings are added to the framework of sticky knowledge, absorptive capacity, organizational learning and knowledge transfer mechanism. Afterwards the findings are put into context and compared and connected to the other findings in order to give new directions for knowledge management research.

3.6.1 Absorptive capacity

In order to produce successful fashion products, understanding and capturing emerging trends is an important activity for the fashion house. When designers are looking for new ideas and inspiration their decisions often rests on very few scientific evidence, but rather decisions and actions are based on hunches and feelings of what will be cool or trendy for the next collection. The first finding presented is a surprise as the difference between the three fashion houses is significant, especially in terms of product output and business philosophy, which would lead one to believe that they would use very different approaches and sources of inspiration or at least follow a particularly style or theme that fits their own. But as they all expressed during the interview; 'that one have to be open towards many different encounters', which means considering almost everything in the fashion network in the initial process can be useful. All three fashion houses mentioned for example Danish fashion magazines as a source of inspiration due to its somewhat local touch, but more surprisingly they could all be inspired by cheap and very commercial fashion brands. As knowledge partially is found on an industry level in the fashion network it seems logically that most fashion houses would look for inspiration there.

Consistent with the perspective of absorptive capacity (Cohen and Levinthal, 1990), the first finding however, adds a new element to the theory. As knowledge within the fashion industry is partially found on an industry level within the fashion network fashion houses have to acquire it to further validate it and transfer it internally. In this regard the finding adds a new perspective as it suggest that fashion houses selective choose the knowledge and information more carefully from the fashion network by relying on *hunches* and *perceptions* about emerging trends that currently 'occupy their mind', which is not meant to be stored for long time, as the information and knowledge quickly become out-dated due to changing demands. In that way the 'capacity' is not really an issue within the fashion house as new creative knowledge must be acquired over again when starting a new collection.

Finding 1: All three fashion houses approach the initial phase of acquiring information and knowledge from the fashion network similarly

3.6.2 Knowledge transfer mechanism

There was already after conducting the interviews a reasonable suspicion that creative knowledge was transferred similarly in the creative design process in spite of differences in organizational size, structure and product. This result first came as a surprise but makes sense when reflecting upon. As the knowledge that is transferred embodies the same complexities and tacitness it is necessary to move it face-to-face in small flexible groups where relations are made of strong social ties which is the most appropriated way of transferring complex knowledge. This was the case for both ICC and BP but also for CK but to a minor degree, as groups was more dispersed due to the organizational structure of CK. It seems that exchanging ideas and building relations are much easier in small, informal groups where face-to-face interaction is the norm - something that all three fashion houses did in practice. It is difficult to judge whether the finding add a new understanding of knowledge transfer mechanisms. However, the newness is that knowledge transfer between creative people within all three fashion houses relied on an approach of mutual understandings which formed a 'subculture' as a mechanism for creative people who were able to transfer knowledge much easier based on a set of uniform *perceptions*, *imaginations feelings* and *senses* of fashion, design and image.

Finding 2: Creative knowledge is transferred similarly within all three fashion houses

3.6.3 Sticky knowledge

One of the most apparent and continuous findings in the within case analyses was that for example designers knowledge in general seemed to be based on *improvisation*, *feelings* and *perceptions* which made creative knowledge extremely difficult to express and transfer. Especially BP expressed that feelings and sensing were big drivers when making important decisions about future design. Designers within ICC insisted that being an artist they were paid for their ability to predict and bode about emerging trends and tendencies and for their ability to create fashion design based on creative knowledge. This makes creative knowledge extremely difficult to express and transfer. This finding somehow brings new perspectives to the sticky knowledge theory and nuances the picture a bit which allows us to better understand why (creative) knowledge tends to stay where it is. The challenges of moving creative knowledge lie in the complex knowledge that is *emotional* and builds on *imaginations*. As the sticky knowledge

theory are preoccupied with moving best practice of processes creative knowledge is used in producing the output and difficult to move as it is based on perceptions and feelings. Still one can question if the finding present a new understanding. Though the finding is based on the data more research would increase the understanding and validity of it.

Finding 3: Creative knowledge is difficult to express and transfer as it is based on emotions

3.6.4 Organizational learning

This finding makes it somewhat clear that it is difficult to learn within the fashion industry in terms of learning how to forecast new trends and how to choose which one should be included in next year's collection and most importantly *how* they should be included in next year's design.

For that reason the designer's skills are important as they are able to interpret different signals in the fashion environment which is abilities that cannot be taught. This finding represent an agreement between the respondents that the changes in the fashion environment happens fast which makes it difficult to learn to interpret weak signals in the environment which makes the abovementioned skills of creative people important when capturing trends. So in order to navigate within the fashion industry designer's skills of interpreting and understanding based on emotions are important as they match the fashion environment that is build on emotions and feelings. In the former findings it has been analyzed that challenges of transferring creative knowledge is due to very emotional attributes to knowledge. The fourth finding illustrates that the skills that creative people holds are necessary in order to navigate in a fashion network that changes for the sake of change.

The current perspectives of organizational learning do not consider improvising as to get new and unexpected ideas based on different approaches to learning. Organizational learning must adopt a more 'open system' approach to the core of learning to foster a richer and more that also must consider how creative people learn and how learning can adapt to creative people.

Finding 4: Creative knowledge within the fashion industry stems from a 'noisy', ever changing and uncertain environment from which it is difficult to learn

3.6.5 Overcoming challenges

All three fashion houses faced the same challenges when transferring knowledge which pertained to the communication between people in the creative design process, problems with a highly tacit knowledge that remains within the head of designers and within the fashion network. However in regards to the problems of communication problems were only thought to be minors and something that were improved as teams and social relations were better well-knitted. The challenges seem to be overcome through face-to-face interaction and by providing an environment that promotes communication across functions and teams.

Finding 5: Overcoming challenges of transferring creative knowledge, knowledge is transferred in open spaces face-to-face in small teams based on strong personal ties

The four perspectives of sticky knowledge, absorptive capacity, organisational learning and knowledge transfer mechanism can be complemented by adding some new perspectives as illustrated in the figure above. The consolidated framework with the new add-ons allows us to gain more insight and understanding of both the empirical findings and theoretically of the current perspectives of sticky knowledge, absorptive capacity, organisational learning and knowledge transfer mechanism as to what the new findings can add to current theory.
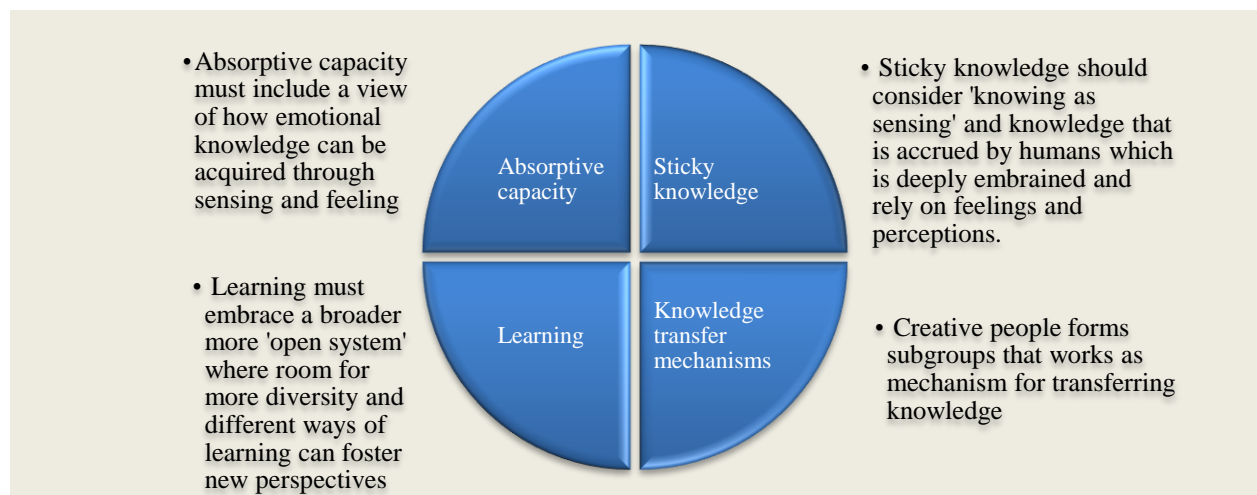

Figure 3.2 The extended framework. *Source:* own creation

In the following part the findings will be connected and the coherent picture will be discussed briefly as to whether there is a more overall understanding of the results.

Part IV

4. Discussion

Having presented the findings and answered my research question there is a need to discuss the findings more generally as to how they connect, and highlight the new elements from the fashion industry that current knowledge management theory have not covered specifically, hence I will provide some new directions for knowledge management theory based on the findings, which have been the driving motivation in this research from the beginning, and the overall research objective.

4.1 Interconnectedness and Reflection on Analyses

As the fields of knowledge management, creativity and fashion have not before been connected, most of the proposed findings did not appear in the literature used. But different parts of the findings could relate to terms and understandings from the fields of fashion and knowledge management though. Many of the findings do not come as a big surprise and were somehow evident halfway into the data analysis. They are logical and may be understood implicitly. Still it is interesting to put words on the already known. And several findings were indeed new and surprising. Especially when connecting them, as to get the full picture of what they mean and how they are used. The combined understanding of them is both interesting and logical.

Based on the findings it is clear that the fashion houses transfer creative knowledge in the same way despite differences in organization size, structure and business model (F2). Designers from all three fashion houses expressed the same concerns of feelings, emotional reactions and improvising creatively in their work in the design process and worked in the same way in regards to searching and tapping inspiration and ideas where 'knowing as sensing' and general hunches are measures for what is considered useful to transfer (F1). They were even using the same sources of inspiration, even though they are catering to different market segments which could seem a bit illogical for a business management point of view, but makes perfectly sense for designers and creative people within the three fashion houses. Creative knowledge transfer was based on very informal and relaxed interaction, conversation and arguments within all three

fashion houses (F2). Furthermore, the three fashion houses faced the same challenges when transferring creative knowledge (F5, F4 and F5). This was challenges of the location of creative knowledge and the nature of creative knowledge which is very complex knowledge that was extremely difficult for designers to express and share. Knowledge transfer challenges were overcome by mainly talking every day face-to-face when carrying out the different work in the creative design process (F5). This is mainly due to very strong ties and relationships based on working closely together (F2 and F3). When comparing the findings of F2, F3, F4 and F5 traditional management don not seem as the best way forward of promoting knowledge transfer and knowledge sharing within creative industries, or at least within the fashion industry, but rather the success or the way it has been done so far, has been 'soft' and conflicts with applying management concepts. When looking at the sum of the findings creative knowledge appear as a contrast to regular knowledge which is based on managerial decisions and foresights.

The full and coherent picture from working with the three cases was, except from a few surprises, somehow anticipated after studying creative processes for two years. This is from an outsider specially the emotional and more irrational way of approaching work for designers within the fashion industry. Reflecting on the findings an article written by Robert L. Sutton called '*The weird rules of creativity'* (2001) pretty much summarize the matter of creative settings and the sum of the findings in this research. The essence of his article is about the different approaches managers must take when managing creative people in creative organisations. Sutton (2001) describes how traditional and rational management will not always be the best solutions when managing for creativity as they are grounded in productivity and efficiency, and he suggests, to be successful within creative organisations things sometimes must be turned upside down as action are based on less rational reasoning such as feelings and hunches.

4.2 Directions for Knowledge Management Research

It has throughout this research been firmly established that the bulk of knowledge management research has been conducted within a range of traditional industries with the exception of creative industries. The new elements that have emerged from this analysis which knowledge management have not specifically covered are outlined in the following section.

The greatest difference when considering the four perspectives of sticky knowledge, absorptive capacity, learning and knowledge transfer mechanism and compare them to the empirical findings is the weight on 'knowing as sensing' which is evident within the fashion house. This knowledge is a highly complex knowledge that is extremely difficult to transfer, but of vital importance for the fashion industry when producing fashion design. This type of knowledge rests on feelings, hunches, improvising creatively, emotions, imaginations, and perceptions which are important skills when searching and acquiring creative knowledge from the external environment, to evaluate creative knowledge and to transfer creative knowledge internally. This is elements that are not covered by the four perspectives which make them insufficient if one really wants to understand the knowledge transfer challenges within creative industries, and as to why frictions occur when creativity and commerce are integrated.

Furthermore, the contextual surrounding environment in which these activities and people transfer creative knowledge needs to be further investigated as the 'noisy' fashion environment influences what creative knowledge that is transferred within the creative design process which bring me to the last research area that needs more attention. This is the way creative teams interact face-to-face exchanging creative knowledge, which is an aspect that is interesting to know more about as it is within these 'communities' that knowledge are exchanged and transferred. To understand more of how creative knowledge is transferred knowledge management research must in the future be more open to the humane side of organizations as creativity is so interpersonal which automatically connect people and creativity. Furthermore, knowledge management has traditionally been engaged with best practice in processes and structure and less to how volatile knowledge flows in dynamic environments, when planning for outputs.

Part V

5. Conclusion

This thesis has investigated the challenges of transferring creative knowledge within three Danish fashion houses and how these challenges are overcome. This has been a necessary research as current knowledge management theory is based on research conducted within more traditional settings, meaning they have for example not considered the nature of creativity and its role when transferring knowledge. Creative industries such as the fashion industry have not dominated knowledge management theorist's awareness horizon when it comes to transferring knowledge to make successful fashion products. This practice was therefore uncovered by exploring and answering the following research question:

How is creative knowledge transferred within the creative design process of the Danish fashion house? *And* **how are challenges of managing creative knowledge overcome?**

A method of theory-building from case study was used for the investigation. Three cases were selected for the research which builds on qualitative data in form of interviews with designers, marketing people and art directors. From the data analysis five findings were suggested, outlining the most relevant and coherent findings in relation to the research question:

F1: All three fashion houses approach the initial phase of acquiring information and knowledge from the fashion network similarly.

F2: Creative knowledge is transferred similarly within all three fashion houses.

F3: Creative knowledge is difficult to express and transfer as it is based on emotions.

F4: Creative knowledge within the fashion industry stems from a 'noisy', ever changing and uncertain environment from which it is difficult to learn.

F5: Overcoming challenges of transferring creative knowledge, knowledge is transferred in open spaces, face-to-face in small teams based on strong personal ties.

Within the creative design process creative knowledge is transferred face-to-face between individuals who are working in groups which are based on strong ties and close social relations, which seem to facilitate the transfer of creative knowledge. The three fashion houses face the same challenges when transferring creative knowledge which pertains to the location of creative knowledge which is mainly found in the fashion network, but also and more importantly challenges pertains to the nature of creative knowledge which is very complex and extremely difficult to transfer as it rests on very deeply held emotions, perceptions, feelings and hunches of the creative person, wherefore 'knowing as sensing' describes creative knowledge best. These transfer challenges were overcome or prevented by interacting through conversations and by providing the time and freedom to communicate across and within working groups and by providing the settings for building stronger social ties between people.

First and foremost the findings provide the framework of sticky knowledge, absorptive capacity, organizational learning and knowledge transfer mechanism with a dimension of more personal and humane elements that is vital to understand when transferring knowledge within the fashion industry and it makes it easier to understand why knowledge in general is difficult to transfer. This involves abilities to sense trends, using hunches, using perceptions and emotions when deciding what knowledge to transfer, which is vital skills and abilities to navigate and be successful within the fashion industry where uncertainty due to creativity and demand uncertainty pervades the industry.

The new directions for knowledge management research are closely related to the findings and can be specified as follows. Based on the empirical findings that have provided new elements that have not been investigated by knowledge management, which suggest that the four perspectives of sticky knowledge, absorptive capacity, organizational learning and knowledge transfer mechanism do not provide sufficient remedies to the creative industry, which is why new more sufficient theory should be developed. Future knowledge management research must focus on 'knowing as sensing' which involves creative people's feelings, emotions, instincts and more mental skills necessary to be able to acquire, interpret and transfer creative knowledge within the fashion industry and a range of other creative industries. Future research also includes investigating the 'noisy' and uncertain fashion environment in which creative people have to

navigate when acquiring knowledge in order to transfer it internally. Finally, more research of the creative communities that are conduits for transferring creative knowledge needs to be investigated. Much more experimentation and observation needs to be done in this area. I hope that this research makes a useful point of departure.

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7. Appendices

7.1 Overview of Interviews

All interviews were conducted by Jonas Kissling Hansen. All interviews were recorded and transcribed.

IC Companys:

11.3.2009

Personal interview with Camilla Kahrs (Art Director, Jackpot + Cottenfield)

Personal Interview with Tina Madsen (Marketing Project Manager, Jackpot)

Personal interview with Mette Roodhaven (Designer, Jackpot)

First interview: 61 min. Second interview 58 min.

Car-Kahrs:

2.2.2009

Personal interview with Cathrine Kahrs (Owner + Design)

Personal interview with Lotte Byreil (Design)

Personal interview with Peter Kristensen (Marketing)

First interview: 65 min. Second interview 56 min.

Baum und Pferdgarten:

10.3.2009

Personal interview with Christian Hansen (Marketing management)

Personal interview with Helle Hestehave (Designer + owner)

Personal interview with Camilla Cancellieri (Art Director)

First interview: 59 min. Second interview: 107 min.

Birgit Lyngbye Pedersen:

Personal interview at CBS 19.4.2009. Duration 59 min.

Jim Lyngvild ('Fashion Dictator'):

Personal interview at CBS 19.2.2009. Duration 112 min.

Larry Prusak:

Guest lecturer at CBS 19.5.2009

7.2 Interviewguide

Mit speciale undersøger viden og hvordan den bruges og ledes i den danske modeindustri. Formålet med mine interviews er at undersøge hvordan kreativ viden hos XXX rent faktisk styres i den kreative design proces. *Produkter kan kun blive gode hvis viden deles og styres vigtigheden i at dele og styre viden for succesfuld produkt udvikling.*

Spørgsmål om marketing og salg:

•Hvordan estimerer i markedspotentialet for en ny tøj kollektion? *Markedsresearch og gamle salgstal?*

•Kan i beskrive hvordan i starter når i skal lancere en ny tøj kollektion? *Når én får en ide vedr. design hvad sker der så videre?*

•Hvor får i data og informationer fra om nye trends, farver, stil og stoffer?

•Hvad er jeres data, informationer og viden baseret på? Blød eller hårdt data? (hunches vs. statistik).

•Hvordan evaluerer i data og informationer? (valg og fravalg)

•Hvordan gemmer i den "skabte" viden?

•Hvilke udfordringer eller barrierer ligger der i at dele og skabe viden i marketing og salg?

•Tages der hensyn til afsender og modtager af information og viden? Marketing ⟶ design.

Spørgsmål om designere og kreative folk:

•Hvordan bidrager kreative folk til skabelsen af viden om nye trends, farver, stil og stoffer?

•Hvor får designere deres data, informationer og viden fra?

•Hvordan gemmer i den viden designere og kreative folk besidder?

•Hvordan indsamler og bruger i viden fra andre inspirationskilder? F.eks. modeshows, agenter, modemagasiner?

•Hvilke udfordringer eller barrierer ligger der i at dele og skabe viden fra designere? *Er designere interesseret i at dele viden er de motiveret, stole de på marketingsfolk?*

Generelt:

•Hvad er forskellen på informationer og viden fra design vs. marketing og salg? *Her tænker jeg på om den viden der findes om design er mere stillitiende og uhåndgribelig i forhold til tal og statistik om marketing?*

•Hvilke udfordringer/problemer/muligheder ser i når den samlede viden skal deles og administreres? Er der noget viden i er mere interesseret i at udforske og dele end anden?

•Kan i beskrive kommunikationen i den kreative design proces fra ide til produktion?

•Kan i beskrive hvilken betydning viden of information har for IC Companys?

Hvor stor betydning tror i den kreative faktor spiller ind for jer?