Business advisor knowledge and knowledge transference: A conceptual framework

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Abstract:

Prior studies raise the question of how business advisors’ knowledge affects the provision of advice to small business. This paper recognises there is limited understanding of ‘how knowledge is connected to action’ and asks the question of how to research such an issue. A conceptual framework is derived from the literature to guide future empirical analysis exploring small business advisor knowledge and its transference. Two theories underpin this framework and illustrate the important role external advisors play in small business knowledge development - the theory of outside assistance as a knowledge resource, and theory of guided preparation as a guide to action based on advisor knowledge. The framework is underpinned by a critical realist methodology that allows actors (i.e. small business advisors) to operate in a changing environment. This critical realist philosophical lens enables the framework to uncover causal relationship between professional small business advisor knowledge foundations and knowledge transference.

Keywords: business advisor, knowledge management

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INTRODUCTION

A range of small business benefits are associated with the use of external advisors including the acquisition of specialised knowledge to address recognised knowledge gaps (Chrisman, McMullan & Hall, 2005; Viljamaa, 2011), access to financial information or financial planning skills as a sounding board for entrepreneurial ideas (Carey, Simnett & Tanewski, 2005), or simply as the source of valuable industry contacts (Chrisman & McMullan, 2000). The requirement of advisors to help small businesses address a wide range of business needs necessitates the ability of them to metamorphose themselves, and their knowledge, into a form suited to addressing those needs (Dalley & Hamilton, 2000). This highlights the importance of advisor professional competence, which is considered a critical factor influencing the effectiveness of the knowledge transference process (Dierickx & Cool, 1989), and raises the question of how do business advisors manage their knowledge so they are able to address the needs of their small business clients?

Within the knowledge management literature many terms are used to define individuals, or organisations, that provide advice. Knowledge intensive occupations (Sandberg & Pinnington, 2009), knowledge-intensive business service (KIBS) firms (Daghfous, Nicholas & Michel, 2013) and knowledge intensive firms (Alvesson, 2011) are terms used to encompass a range of professional practices inclusive of accountants, lawyers, marketers, consultants, IT specialists or designers. The role of the mentor is described in Kent, Dennis and Tanton (2003, pp. 1006-7) as “someone with seniority and greater experience (and usually by default, older) who guides, tutors, coaches and advises others while acting as a role model and confidante.” The business consultant is defined as having a multitude of roles, from counsellor in which the goal is to build the capacity of the client, to ‘hands on’ expert performing the task itself (Champion, Kiel & McLendon, 1990). Accountants, solicitors and business consultants have been identified as small business advisers who invest time in the provision of advice and as principal sources of private small business advice (Bennett & Robson, 1999). The focus of this paper is on those professionals whose actions are directed towards providing general business advice to small businesses as directed by the needs of their clientele. For the purposes of this paper the external advisors who are the focus of this study will be denoted as Professional Small Business Advisors (PSBAs)

Clark and Fincham (2002) identify that within the critical literature the nature of advisor knowledge is considered plagued with ambiguities. Alvesson (1993, pp. 1006-7) also acknowledges these ambiguities in advisor knowledge but specifies how these ambiguities are characterised by “(a) their claimed core product (knowledge); (b) what they are doing (working with ‘knowledge’ compared to behaving in ways that are loosely connected to this quality) and (c) the results of their work”. While the knowledge, skills and personality of effective business consultants has been examined in the literature (Banai & Tulimeri, 2013), and the attitude and knowledge of business advisors form part of Jaques and Povey’s (2007) United Kingdom research, there are concerns that we have limited understanding of “how knowledge is connected to action” (Tsoukas & Vladimirou, 2001, p. 974), or what this paper calls ‘knowledge transference’.

In terms of transference, Xu and Bernard (2010, p. 957) state: “The backbone of knowledge management is to ensure the availability of knowledge to all people or cases that may require it”. This paper has interpreted Xu and Bernard’s (2010) statement as characterising two important principles. The first is the philosophical objective of knowledge management to ensure knowledge
accessibility. The second is that systems, or processes, need to form the backbone by which knowledge can be made available or transferred. These two principles emphasise the important knowledge management role that external advisors fulfil in transferring knowledge to small businesses, and highlight the importance of the systems and processes which advisors use to ensure that their knowledge is available when needed.

From a theoretical perspective – based on the literature in the knowledge management field, together with a unique philosophical lens – this paper aims to develop a distinctive framework to guide research into understanding how small business advisor knowledge is connected to action. Allied to this aim is an appreciation of the ambiguities around advisor knowledge claims, and the processes of advisor knowledge transference. In order to address how small business advisor knowledge is connected with advisor knowledge transference actions, a conceptual framework that is distinctive to the small business environment is needed. The following literature review identifies key contributions employed later in this paper to develop this conceptual framework which is specifically suited to understand the distinctive processes by which PSBAs manage knowledge and how they supply it to those who may require it.

LITERATURE REVIEW

Whilst there is extensive knowledge management literature available (Martelo-Landroguez & Cegarra-Navarro, 2014), the heterogeneous nature of research in this field means a wide range of views are evident (Argote, McEvily & Reagans, 2003). Some researchers use the terms ‘information’ and ‘knowledge’ interchangeably (Świgoń, 2013), and others define knowledge as “information and experience” with the potential to change personal views (Marvel, 2012, p. 448), or as a “human process of justifying personal belief toward the ‘truth’” (Nonaka & Takeuchi, 1995, p. 58). This paper adopts three premises in the search for a framework within the knowledge management literature: (i) that knowledge resides in the mind of the individual (Davenport, De Long & Beers, 1998); (ii) that knowledge is created from information that is “processed, interpreted and given meaning” (Dalley & Hamilton, 2000, p. 52); and (iii) that knowledge is an accumulated asset that can flow from external advisor to small business (Wang, Chia-Lin Lin, Jiang & Klein, 2007). Further, as an accumulated asset it is important to consider the depreciation or obsolescence of advisor knowledge (Griliches, 1979) because as a perishable resource, time may impact its commercial value and use for generating new knowledge.

New knowledge is produced through the interrelationship between tacit and explicit knowledge (Nonaka & Takeuchi, 1995; van Daal, de Haas & Weggeman, 1998). The term ‘tacit knowledge’ refers to knowledge held by an individual which is difficult to articulate (Polanyi, 1967) and which needs to be learned through experience (Nonaka & Takeuchi, 1995, Berman, Down & Hill, 2002). As a business resource, tacit knowledge is unique, difficult to codify and hard to imitate, providing a competitive advantage for businesses (Bennett & Robson, 1999; Berman et al., 2002). Explicit knowledge on the other hand can be codified, reproduced, easily exchanged, and communicated (Grant, 1996; Chrisman & McMullan, 2004). These characteristics that contribute to the ease of explicit knowledge exchange allow for business knowledge to be transmitted with minimal impact on knowledge integrity (Kogut & Zander, 1992) but also present an associated risk of effortless imitation by competitors (Bloodgood & Salisbury, 2001). Van Beveren (2002) asserts that the term ‘explicit knowledge’ is misleading and that this codified form of knowledge is actually information. For the purposes of this paper, it is proposed...
that knowledge be seen as the interrelationship of experiences gained (tacit knowledge) and information acquired (explicit knowledge) by the agent under investigation.

The use of information fulfils two process roles in knowledge management; as an output mechanism for knowledge transference, the “physical surrogate of knowledge” (Farradane, 1980, p. 77) giving it form (Nöth, 2012), and as an input for knowledge acquisition. It represents the tangible form by which intangible knowledge, residing in the mind of the individual, is packaged and transferred to the recipient (Orna, 1996; Van Beveren, 2002). Information communicates the substance of knowledge (Tangri & Scavone, 1998), however knowledge is only acquired once an individual mentally processes information received (Aktharsha, 2013). Conversely, for knowledge residing in the mind of an individual to be communicated it must be transformed into information (Van Beveren, 2002; Aktharsha, 2013) in an easily transmittible form (Feldman, 1994). The process of transmission is comparable to aspects of Shannon and Weavers (1971) mathematical theory of communication in which knowledge is encoded and transmitted as information from an external advisor to a small business, and how a small business then decodes that information to generate new knowledge.

Whilst information may be used to obtain knowledge, there is no implication that an increase in the amount of information provided will result in an increase of knowledge acquired (Dalley & Hamilton, 2000). Information on its own has no innate value (Orna, 1996); the value of information is created through its use and significance to the recipient (Abell, 1993). For business advisors to provide information that creates knowledge value for small businesses, they need to have sufficient knowledge to both understand and address the information needs of their clients (Dierickx & Cool, 1989; Wang et al., 2007) and the recipient needs to have sufficient absorptive capacity to convert that information into new knowledge (Dierickx & Cool, 1989; Cohen & Levinthal, 1990). It also requires advisors to understand the expectations of their clients and develop appropriate service strategies to address these needs (Parasuraman, Zeithaml & Berry, 1985) including using language that is understood and preferred by the recipient (Leonard & Straus, 1998; Dalley & Hamilton, 2000).

Knowledge management literature tends to focus on four processes “(1) knowledge acquisition and creation; (2) knowledge organisation and retention; (3) knowledge dissemination; and (4) knowledge utilisation” (Supyuenyong, Islam & Kulkarni, 2009, p. 67). Research into small business knowledge development has been inclined to focus on the dissemination and acquisition of external information (Dalley & Hamilton, 2000; Hurmerinta-Peltonäki & Nummela, 2004; Smith, 2009) or formal structured education (Gorman, Hanlon & King, 1997; Johnson, 2002). The broader knowledge management research mainly focuses on large organisations (Wong & Aspinwall, 2004), often describing the process of knowledge transference as being the transmission of knowledge, receipt of knowledge (Grant, 1996) and the receiver’s use of knowledge (Wang & Noe, 2010). If the central purpose of knowledge management is to ensure that knowledge is available to those who may require it (Xu & Bernard, 2010), then addressing the limited understanding of how knowledge is connected to action is crucial (Tsoukas & Vladiimirou, 2001; Sandberg & Pinnington, 2009); especially in small business where unlike large businesses there is lack of an explicit knowledge management process within the firm (Kogut & Zander, 1992).

Many terms are used to depict the knowledge transference process within the knowledge management literature (Martelo-Landroguez & Cegarra-Navarro, 2014). This includes knowledge
dissemination (Supyuenyong et al., 2009), knowledge sharing (Wang & Noe, 2010), knowledge exchange (Arnett & Wittmann, 2014), knowledge diffusion (Molina-Morales, Garcia-Villaverde & Parra-Requena, 2014), knowledge distribution (Bhatt, 2001) and knowledge transference (Bloodgood & Salisbury, 2001). All these factors are central to the development of a conceptual framework in this theory paper.

The dynamic nature of the knowledge management process means the transference of knowledge is an activity that benefits from collaborative one-on-one interactions (Feldman, 1994). The importance of one-on-one interactions underscores the belief that external business advisors are an important source of information for developing small business knowledge (Robinson, 1982; Chrisman, 1999). As an important source, experienced external advisors can guide the development of contextualised small business knowledge and thus help develop a competitive advantage for their client (Chrisman & McMullan, 2000, 2004; Chrisman, McMullan, Ring & Holt, 2012). However, a critical factor that influences the knowledge transference process is the competence of the advisor (Wang et al., 2007).

Whilst knowledge transference can be perceived as the process of knowledge movement between entities (Ipe, 2003), it tends to be described as not only the transmission of knowledge but also the receipt (Grant, 1996) and use by the receiver (Wang & Noe, 2010). This portrayal of knowledge transference is suited to research that focuses on larger organisations and their internal knowledge management processes, where knowledge can be developed through continuous internal social engagement (Kogut & Zander, 1992), and knowledge creation is considered as an internal cyclical process (Nonaka & Takeuchi, 1995).

Small businesses are not simply a little big business, the attributes associated with their size contribute to a condition referred to as resource poverty and require very different management approaches (Welsh & White, 1981). This includes knowledge management practices that differ from large organisations (Supyuenyong et al., 2009). Small businesses have a reliance on acquiring knowledge through external sources because their size hinders the knowledge movement normally associated within the larger corporate environment. Small businesses use external advisors to overcome organisational knowledge isolation (Gibb, 1993; Kent, Dennis & Tanton, 2003). It is the characteristics of knowledge isolation that are not considered in commonly used organisational learning models, such as Nonaka and Takeuchi (1995), because such models are based on large organisational environments in which strong internal social engagement facilitates the process of knowledge sharing. Therefore there is a need for a conceptual framework that considers the unique characteristics of knowledge transference from small business advisor to their client.

There appears to be an absence of research which evaluates the connections between advisor competence and their knowledge stock. However, a link between professional competence and knowledge is not completely ignored, with a few papers discussing aspects of this relationship. Wang, Chia-Lin Lin, Jiang and Klein (2007) adopt the knowledge-stock-flow theory proposed by Dierickx and Cool (1989) to portray the competence of external advisors as being their stock of knowledge, and Sjöberg (2001, p. 974) comments on professional competence as being comprised of two key aspects, “one is knowing, the other is knowing the limits of one’s knowledge”. Both of these concepts are illustrative of the connection between knowledge and professional competence. They also highlight the importance of understanding the connections between advisor knowledge and their actions, an aspect of professional competence which potentially affects the knowledge
transference processes. Researching aspects of the social world in which both the key actors and business environment continually change (Sayer, 2000) requires an appropriate framework that can guide empirical investigations into small business advisor knowledge and its transference. The framework in this paper is underpinned by a research methodology with a suitable philosophical lens that allows the actors (i.e. PSBAs) to operate in a changing environment. A critical realist approach is adopted for this purpose.

EPISTEMOLOGICAL APPROACH TO FRAMEWORK CONSTRUCTION

Within the social science environment a variety of philosophical paradigms and research methodologies exist which reflect a researcher’s world view and research approach. The positivist paradigm is at one end of the spectrum and interpretivism is at the other. Positivists reject unseen entities and believe that only experienced or observed phenomena can provide scientific knowledge (Blaikie, 2009; Robson, 2011). The positivist paradigm adopts a closed system approach in which the subject of investigation can be observed and in which research results are reproducible under the same conditions (Bhaskar, 1978). On the other hand, interpretivists seek to understand social regularities through constructing models of social meanings and believe that only rational social action, which is consciously chosen, can be considered as understandable (Blaikie, 2009). Interpretivists use an open system approach to interpret the meanings and observed actions of individuals within their social environment (Tsang, 2014).

This paper does not propose the evaluation of a closed system of observed events, or seek to attribute meaning to the social interactions of PSBAs, nor does it seek a subjective interpretation of business advisor’s perceptions regarding the knowledge transference process. It adopts the belief that “we cannot be ‘positive’ about our claims of knowledge when studying the behaviour and actions of humans” (Creswell, 2009, p. 13) and presents a unique conceptual framework that seeks to understand the real processes associated with small business advisor knowledge transference, much of which may be unobservable. Henson (2009) presents a good argument for the need to adopt alternative epistemological approaches for small business research, to divest from the commonly used positivist or interpretivist paradigms. Critical realism is a philosophical paradigm that resides between the two extremes of positivism and interpretivism. It adopts an open view of social reality and is founded on the belief that the world exists independently of our knowledge, irrespective of whether it is observed or not, and that sometimes this real world will break through our interpretation of it (Easton, 2010). Critical realism differentiates itself from positivism and interpretivism by seeking the causal mechanisms that are not directly observable (Jespersen, 2009) and the use of a retroductive (or abductive) reasoning which requires logical inference that combines inductive observation with deductive reasoning and evaluation (Danermark et al., 2002); i.e. asking what causal mechanism must exist for this observable event to have happened. In this paper, the task is to develop a research framework which uncovers the process by which the observable phenomenon of PSBAs’ service provision has transferred explicit and tacit knowledge that address the specific needs of their small business clientele.

Critical realists believe the world exists independent of human observation (Easton, 2010) and regardless of our knowledge (Sayer, 2000). This belief is associated to the ‘intransitive’ and ‘transitive’ dimensions of knowledge as described by Bhaskar (1978), who argues that changes in our transitive knowledge (theories of the world) do not necessarily change the properties of objects, or
structures, within the world. An illustration of this is the fact that the shape of our planet did not change when scientific belief shifted from a flat earth theory (Sayer, 2000).

Critical realism provides researchers with a unique perspective of reality. It does not simply distinguish between the world and our experiences; instead it stratifies our social and natural worlds into three domains, the real, the actual and the empirical (Sayer, 2000; Downward & Mearman, 2004). This stratified approach, introduced by Bhaskar (1978), consists of the real events that occur irrespective of whether we experience them or not, the actual mechanisms that produce those real events, and our experiential knowledge of those events and their causal mechanisms (see Table 1).

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**Table 1 - Bhaskar’s three domains (Bhaskar, 1978, p. 13)**

The empirical dimension represents the human experience of the real or the actual and is often associated with observation. However, existence is not dependent on observation, and causal powers can exist without being exercised, so critical realists tend to rely on both observation and causality. The development of an empirical dimension of unobservable entities can be deduced through evaluating the causal relationships of observable effects (Sayer, 2000). Bhaskar (1978) asserts that these three domains are distinct because they exist independently of each other. Real structures exist independent of the actual patterns of events, and these events independent of our experiences.

Jespersen (2009) explains how a stratified reality can be grounded with critical realism; he describes the three strata as being the ‘empirical stratum’, the ‘factual stratum’ and the ‘deep stratum’. Figure 1 is a diagram based on Jespersen’s (2009) description of stratified reality. The ‘empirical stratum’ is representative of Bhaskar’s (1978) empirical dimension and illustrates the surface landscape of the reality we explore as essentially being the tip of the iceberg. The ‘factual stratum’ is symbolic of the less visible aspects of events and tendencies, where the observation of mechanisms producing actual events is possible to some degree. The ‘deep stratum’ however truly represents the methodological differences associated with critical realism; it is within this stratum that knowledge about the largely unobservable reality is reached. Through using indirect methods to determine the causal mechanisms within the deep stratum, aspects of the real world are revealed.

To answer the fundamental question of "what caused those events to happen" (Easton, 2010, p. 121) critical realists describe the world using causal language. The critical realist portrayal of cause is based on two criteria – the notion that ‘real’ causal powers exist and that ‘actual’ causation is
produced by the complex interaction of different entities (Elder-Vass, 2005). The concept of emergence is often used in this descriptive endeavour (Elder-Vass, 2005) as it is founded on the belief that two or more elements can combine to produce new phenomena (Sayer, 2000). Emergent properties occur due to the unique relationship between entities and their particular configuration. A good example of this is that the emergent properties of water are a consequence of the relationship, and particular configuration, of Hydrogen and Oxygen, with the properties of water being very different to those of its components. This indicates that it is possible for an entity to be whole in one context and a part in another (Elder-Vass, 2005), but very different in both contexts.

To develop a framework, a causal explanation is required to be explicated about the entities and mechanisms constituting the knowledge transference processes used by PSBAs and how these entities and mechanisms interrelate to cause events to happen (Easton, 2010). A principal characteristic being the investigation of actual, activated, causal powers, relative to the process of knowledge transference, focusing on the actions of independent social objects, business advisors. The actual social objects identified for this framework can be defined as PSBAs, entrepreneurial and organisational knowledge, and the knowledge transference processes. Thus, from an empirical dimension of the knowledge transference process to be detected (which is essentially unobservable) the framework developed in this paper will enable the evaluation of a range of observable entities and their mechanisms that interconnect to cause events to happen. These may include the business advisor’s qualifications, their work experience, their perceptions about small businesses knowledge requirements and descriptions of information transferred to small business.

Embedded in the conceptual framework are some of the possible causal powers of these objects including the ability of advisors to acquire knowledge, advisor’s knowledge absorptive capacity, their ability to commercialise new knowledge as advice, and the influence of time on advisor knowledge. Further mechanisms with causal powers include the advisor’s ability to understand the knowledge needs of their clients, the processes used for knowledge transference, and the actual information delivered in response to small business needs. All these mechanisms form an open system that requires investigation and the basis of the conceptual framework used to investigating the nature of advisor knowledge and its linkages to advisor knowledge claims, to explore what advisors do with their knowledge, the actions they take when addressing the needs of their clientele, and the transmission process they implement to facilitate the knowledge transference process. This framework can then be used to develop an understanding of how knowledge is connected to action, and develop an understanding of the knowledge transference processes of PSBAs. This approach focuses research on the source of knowledge (the advisor) rather than the recipient (the small business). It does not include investigation of knowledge transference outcomes; rather the focus is on understanding the knowledge transference process from professional external sources. Based on this premise, the following conceptual framework can be specified.

**Developing a conceptual framework**

The framework has been developed from a variety of theories, models and concepts identified in the literature. It brings together key concepts from research on knowledge management, information management, communications, services marketing and business advice. Underpinning the development of the conceptual framework are the resource-based theory, the theory of outsider
assistance, and the theory of guided preparation. These are not explicitly evident in the framework but underpin the knowledge management ontology and set the context.

The relevance and importance of pursuing small business knowledge management research is founded on the resource-based theory. It proposes that businesses can achieve a sustainable competitive advantage through the exploitation of assets that are valuable, rare and difficult to reproduce (Bennett & Robson, 1999; Berman et al., 2002). Knowledge is recognised as a strategically important business resource (Grant, 1996) and organisational tacit knowledge as an important driver of sustainable competitive advantage (Berman et al., 2002).

The important role external advisors play in small business knowledge development is illustrated in both the theory of outsider assistance and the theory of guided preparation. The theory of outsider assistance as a knowledge resource suggests that a unique blend of tacit and explicit knowledge can be acquired from external advisors to develop a sustainable competitive advantage (Chrisman, 1999; Chrisman & McMullan, 2004; Hurmerinta-Peltomäki & Nummela, 2004). Similarly, the theory of guided preparation emphasises the role of external advisors but focuses on guiding the efforts of businesses, and assisting them in developing their own knowledge (Chrisman, McMullan, Ring & Holt, 2012).

The conceptual framework presented in this paper depicts a process for transmitting knowledge which is reflective of Van Beveren’s (2002) assertion that knowledge must be transformed into information before it can be communicated. It considers that information is the process of giving form to knowledge (Nöth, 2012), providing items of knowledge (Tangri & Scavone, 1998), or communicating the substance of knowledge (Tangri & Scavone, 1998). The framework uses Shannon and Weavers (1971) mathematical theory of communication as the foundation. Figure 2 illustrates the way in which knowledge is encoded and transmitted as information from an external advisor to a small business, and how a small business then decodes that information to generate new knowledge. It considers that effective knowledge transference requires a strong compatibility and common ground between the encoder of knowledge, the advisor, and the recipient of that information, the small business (Dalley & Hamilton, 2000).

![Transformation of knowledge to information](image)

**Figure 2 - Transformation of knowledge to information**

The framework, as shown in Figure 3, then proceeds to incorporate the two dimensions of knowledge that form a business advisor’s knowledge stock. It considers that an advisor’s knowledge is achieved through information they have acquired throughout their career (explicit knowledge), and their associated experiences, skills and attitude (tacit knowledge) (van Daal, de Haas & Weggeman, 1998).
Figure 3 - The two dimensions of knowledge

The application of knowledge-stock-flow theory (Dierickx & Cool, 1989) by Wang et al., (2007) proposes that two critical factors, the consulting advisor’s competence and the absorptive capacity of the receiving business, influence knowledge transfer effectiveness. Figure 4 shows how the conceptual framework incorporates a synergistic knowledge transfer process in which PSBAs need sufficient knowledge to offer and the client sufficient absorptive capacity to learn (Wang, Chia-Lin Lin, Jiang & Klein, 2007). The framework illustrates the concept that absorptive capacity represents an organisation's ability to recognise the value, absorb, and then use new information to acquire new knowledge (Cohen & Levinthal, 1990) and that this function exists for both the business advisor and their client. Thus, an advisor’s absorptive capacity, their own ability to accumulate knowledge, will affect the foundations from which their advice originates.

Figure 4 - The role of absorptive capacity

The conceptual framework (Figure 5) takes into consideration Griliches (1979) suggestion that time can decay the commercial value of knowledge. It represents the influence of time on advisor’s knowledge stock. It presents the proposition that the content of information produced from an advisor’s stock of knowledge is affected by its currency and the depreciation effects of time.
The incorporation of two knowledge filters which affect the process of encoding and transferring knowledge is illustrated in Figure 6. The requirement for advisor’s to perceive their client knowledge needs and develop service strategies based on a compatible contextualised knowledge foundation (Parasuraman et al., 1985) is represented by the incorporation of the knowledge needs interpretation filter. Any disparity between what clients actually want and what an advisor believes they want will impact on the advisor’s service development strategy, and the client’s perception of service quality (Parasuraman et al., 1985). The linkage between interpreting the needs of the client and developing appropriate service strategy is illustrated in the framework by the connection between the knowledge needs interpretation filter and the service development strategy filter.

The complete conceptual framework in Figure 6 illustrates the entire knowledge transference process. The focus of Figures 2 to 6 explore in detail the mechanisms that impact on PSBAs’ knowledge stock and the mechanisms that affect how knowledge residing in the mind of each advisor is transformed into information. This framework identifies the elements in the framework as PSBAs’ own absorptive capacity, time constraints, and their ability to identify and service their small business clientele. As this
framework will be used in the next phase of this research project to empirically research the knowledge-based activities of PSBAs, the right-hand side of Figure 6 has not dissected in detail elements of the absorptive capacity of small businesses in order for them to perceive and comprehend any new knowledge transferred by PSBAs to them. This is a limitation of this framework, and will need more retroductive reasoning if such a research project is to emerge in the future.

CONCLUSION: IMPLICATIONS FOR USING THE CONCEPTUAL FRAMEWORK

This paper presents a conceptual framework that applies the broader knowledge management, information management, communications, services marketing and business advice literature to create a unique framework suited to the characteristics associated with an open small business environment. Small businesses have very small internal closed knowledge management systems, unlike large organisations which are based on internal organisational learning models in which knowledge is shared though a large management structure and its employees, and then spread through well-established internal networks (Nonaka & Takeuchi, 1995). The conceptual framework (Figure 6) establishes a research approach aimed at understanding how Professional Small Business Advisors (PSBAs) are guided to transfer their small business advisor knowledge through action (Tsoukas & Vladimirou, 2001), addressing the concern that there is little understanding of learning models about small entrepreneurial organisations (Deakins & Freel 1998). In the course of this discussion, the paper advocates associated objectives of understanding the ambiguities around advisor knowledge claims (Clark & Fincham, 2002) and the processes of advisor knowledge transference (Xu & Bernard, 2010).

For the first time (as far as the authors are aware), the paper develops a theoretical research framework that will enable the empirical exploration, from a critical realist retroductive approach, of a sector of the small business community that has not been investigated. PSBAs provide a service to small business that aims to guide, tutor, coach and advise on how to be successful. Yet, the processes for providing this service have not been interrogated in order to discover how the mechanisms connected with PSBAs knowledge, and their actions, address the knowledge needs of small businesses who pay for this service. This framework extends understanding of the knowledge management process within a small business environment, and the extent to which the provision of advice to small business clients will be improved will depend on the extent to which the critical realist paradigm can shed light on the causal mechanisms that impact on the small business who procure such services.

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