Author's accepted manuscript

Study 2

Knowledge Transfer Mechanisms in the Franchise Network

Abstract

This paper investigates the use of knowledge transfer mechanisms in a franchise network by using qualitative and grounded theory technique to collect and analyze data from a franchise network based in Africa. This approach enables the triangulation of data from different sources including field visits, observation, interviews, and company reports. The findings suggest that training is the most preferred mechanisms for transferring localized knowledge. The results highlight the importance of identifying franchisees' training needs for transferring relevant knowledge according to experience and market profile of franchisees. Additionally, collaborative environment within the network facilitates sharing of best practices. Insight from Africa in this study provides both theoretical and practical implications. Propositions presented can help advance knowledge transfer and franchise research. Franchising and knowledge management research in emerging markets especially in Africa is rare. This paper provides valuable insights for understanding knowledge transfer practices in the African franchise market.

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1 Introduction

Knowledge transfer (KT), an outcome of organizational training, refers to the process of a unit to learn or organization learning from the experience and skills of another unit (Easterby-Smith et al., 2008; Rui et al., 2016). It consists of a knowledge sender, mechanisms, actual knowledge, a receiver and context (Szulanski, 1996). Although these elements are collectively important for a successful transfer of knowledge, little academic insight exist on the use of knowledge transfer mechanisms in franchising (Khan, 2016). Knowledge transfer mechanisms (KTMs) are the tools or systems used to transfer knowledge within and across organizations (Darr et al., 1995; Perrigot et al., 2017; Windsperger & Gorovaia, 2011).

Since franchising consists of transferring a proven business format (brand name, technical know-how, business routines and operational knowledge) from one firm (franchisor) to another legal entity (franchisee) for ongoing monetary reward, knowledge transfer is a core aspect of the business (Gillis et al., 2014). The success of franchising networks relies on the ability to generate and disseminate knowledge within the network, and thus makes the transfer capability of franchisor essential to knowledge dissemination (Minbaeva et al., 2018). The mechanisms for knowledge dissemination have received attention in interorganizational (Perrigot et al., 2017; Rui et al., 2016) and interindustry (Fabiano, Marcellusi, & Favato, 2020) research. Researchers have investigated knowledge management in franchise networks (see review by Iddy & Alon, 2019), but little is known yet on how knowledge is transferred in developing economies (Khan, 2016; Perrigot et al., 2017). Following the call by (Nijmeijer, Huijsman, & Fabbricotti, 2014) to investigate knowledge transfer mechanisms in franchising, this study seeks to answer the question: How is knowledge transferred within franchise networks in emerging markets?

The success of the franchise business model depends on the successful transfer of business formats (technical and operational knowledge) from franchisor to franchisee. Africa was selected because it provides a valuable context for theory development since franchising is in an early stage (Aliouche et al., 2015; Bernard et al., 2017; Shumba & Zindiye, 2018). Little is known on how knowledge is transferred in franchise networks in the Africa since most of the research applies to western countries (Iddy & Alon, 2019).

Research suggest that training is the basis for transferring both types of knowledge, tacit and explicit, especially where franchising is still a new practice. In line with the prior research which emphasizes the use of training to transfer tacit knowledge (Gorovaia & Windsperger, 2013; Perrigot et al., 2017), this paper acknowledges the economic point of view that organizing training is much costlier for franchisors than sending manuals. But in Africa, where franchising is still in its nascent stage, training offers a foundation for successful business growth. This study contributes to the knowledge transfer and franchising literature by offering new insights about developing countries.

The paper is organized as follows: The second section presents a theoretical framework and a literature review on knowledge transfer mechanisms in franchising. Section 3 explains the research design, research setting, data collection and analysis followed by section 4 on results and discussion. Finally, based on the findings and discussion, section 5 offers contributions, implications, and conclusions.

2 Conceptual Background

2.1 Theoretical Framework

Both the knowledge-based view (KBV) and the resource-based view (RBV) agree that unique, valuable, inimitable and non-substitutable knowledge is a vital resource for developing firm competitive advantage (Barney, 1991; Grant, 1996). However, competitive advantage for franchises does not come solely from the ownership of superior and unique knowledge but rather from transferring the knowledge to franchisees (Cohen & Levinthal, 1990; Minbaeva & Michailova, 2004) and applying the knowledge in a different environment (Eisenhardt & Martin, 2000; Teece et al., 1997). The literature on absorptive capacity and dynamic capabilities addresses this theoretical approach.

The process of franchisees' acquiring knowledge and translating it into actions that bring competitive advantage has also been discussed by organizational learning scholars (Dyer & Nobeoka, 2000; Iyengar et al., 2015). Knowledge can be acquired by different means depending on the type of knowledge (Windsperger & Gorovaia, 2011). After the franchisor's knowledge has been extended through company-owned outlets, it is then transferred to franchisees through rich information-sharing, especially training (Gorovaia & Windsperger, 2013). The motivation and willingness to teach by the franchisor affects the outcomes of knowledge transfer (Easterby-Smith et al., 2008). Skills such as quality of teaching are equally important (Minbaeva et al., 2018) and depend on prior knowledge and business experience within the local environment (Bilgilia, Kediab, & Bilgilic, 2016).

Additionally, new theoretical findings suggest that knowledge transfer by Chinese companies which involves simple technology that receivers can adopt easily (the relevance-based view) increases the competitive advantage of companies operating in Africa (Rui et al., 2016). Rui et al. (2016) find that technology transfer mainly through face-to-face mechanisms such as workshops and site visits is preferable in Africa based on the state of the art of technological development level in many of African countries.

Knowledge-based theorists also recognize social relations as an important dimension of knowledge transfer within and across organizations (Del Giudice & Maggioni, 2014; Gorovaia & Windsperger, 2013; Van Wijk et al., 2008). Strong relational ties are believed to create more collaborative learning environments

(Nair et al., 2018; Van Wijk et al., 2008) and help eliminate cultural differences that might impede the flow of knowledge (Easterby-Smith et al., 2008).

2.2 Overview of knowledge transfer and transfer mechanisms in franchising

The mechanisms of transfer differ depending on the type of knowledge being transferred (Grant, 1996). Explicit knowledge is less complex and can be codified and transferred through manuals, intranets, email, personal letters, and text messages. The transfer of explicit knowledge allows the recipient to use the knowledge in standardized ways to improve existing activities (Hsiao, Chen, & Choi, 2017). During the initial training of new franchisees, explicit knowledge is codified in the franchise contract, and franchisees are expected to adopt franchisor knowledge (Perrigot et al., 2017).

In contrast, tacit knowledge, due to its complexity Minguela-Rata et al. (2009), requires personalized information-sharing mechanisms such as training, meetings, workshops, seminars, telephone calls, conferences, and field visits (Gorovaia & Windsperger, 2010). The knowledge transfer literature suggests that successful interorganizational relationships (joint ventures, franchising and MNCs) come from successful transfer of tacit knowledge (Gorovaia & Windsperger, 2010; Minguela-Rata et al., 2010; Nonaka & Konno, 1998; Xue, 2017). Apart from the initial training that franchisees get before the official opening of the business, franchisors offer ongoing training as part of franchisees' support. Ongoing training helps both franchisor and franchisee to expand their knowledge and adapt to the local markets to increase competitive advantage (Perrigot et al., 2017). Therefore, it requires exploratory and exploitative capabilities to share new experiences (Ferraris, Santoro, & Dezi, 2017; Hsiao et al., 2017).

Franchise networks comprise different entities operating in different markets, making the transfer of relevant knowledge from the franchisor the key determinant of franchisee performance (Paswan et al., 2014). The term "relevant knowledge" here refers to customized knowledge that fits specific market segments. To ensure effective knowledge transfer, franchisors use different mechanisms to pass along information and knowledge. For example, Darr et al. (1995) document that firms use mechanisms such as reports, personal associations, regional meetings and phone calls to transfer knowledge. Gorovaia and

Windsperger (2010) and Windsperger and Gorovaia (2011) examine the use of different mechanisms in transferring tacit and explicit knowledge. Similarly, Perrigot et al. (2017) investigate the perceptions of franchisees in using different mechanisms. Both findings indicate that rich mechanisms such as training, workshops, seminars, and meetings are used to transfer tacit knowledge while low information-rich mechanisms such as written documents and computerized systems are used to transfer explicit knowledge.

Face-to-face meetings allow for franchise members to form personal connections that lead to an exchange of relevant experience on how to run the business (Perrigot et al., 2017). Training and workshops allow franchise members to discuss what is happening in their areas and give the trainer the chance to frame content that can be adapted to different local markets. Frequent communication and personal gatherings increase social ties between members which create friendly atmospheres for sharing best practices (Gorovaia & Windsperger, 2013).

Even though face-to-face mechanisms lead to more successful knowledge transfer, little is known on how each mechanism works. Motivated by this void, this paper explores how face-to-face training can transfer adaptable knowledge to franchisees in different market segments.

3 Research Methodology

3.1 Research design

This study follows from the previous work of Iddy and Alon (2019) where findings indicate that, although knowledge transfer is the area most researched in franchising, little is known concerning knowledge transfer mechanisms. A qualitative case study is therefore employed in this study due to the relatively new and unexplored nature of the concept (Yin, 1989). Inductive research generates an in-depth analysis of the new concept, which is hard to unveil by means of survey research design (Eisenhardt, 1989). Therefore, findings from this research seek theoretical generalization (Yin, 2014). Nevertheless, multiple data sources allow cross-analysis of results, hence, an increase of construct validity (Yin, 2014). Additionally, the paper was sent to key franchisors to review, leading to some changes without distorting the key concepts of the paper.

A single case study approach was employed in this study, allowing for a deeper understanding of the concept (Dyer & Wilkins, 1991). It has been recently applied in the franchising literature (Giudici, Combs, Cannatelli, & Smith, 2018; Perrigot, 2018). Since KT is a core practice in the franchise model, the franchising context is most suitable for the study of knowledge transfer mechanisms (KTMs). Moreover, the company in this paper was purposely selected given its emergence in a setting where little is known about franchises. For instance, the subject firm (here referred to as Alpha) started in one country and used the franchise model to expand across five other countries within Africa where franchising is still a new business practice and absorptive capacity is considered low (Rui et al., 2016; Seawright & Gerring, 2008; Yin, 1989). The face-to-face interviews were conducted with both the franchisor and franchisees. The franchisees were selected during field visits and from recommendations by the franchisor based on their experience and availability to get rich information (Table 1). One franchisee was ready to participate but since he just joined the network (with two weeks' experience), he was omitted from the study.

Table 1: Characteristics of franchisees in the sample

Characteristics	Franchisees					
	A	B	C	D	E	F
Experience with franchisor (In Years)	4	2	1 year and 9 months	2 years and 9 months	1 year and 4 months	3 years and 4 months
Number of Employees	4	5	5	6	5	4
Type of market served	Offices Retail points Walk-ins Domestic	Offices Domestic	Offices Retail points	Offices Retail points Domestic	Retail points Walk-ins Domestic	Offices domestic

Africa is a suitable context for modifying and extending theories developed in advanced economies (Bernard et al., 2017). Given the paucity of literature on KT in franchising, especially in emerging markets, this paper aims for an in-depth analysis of a single-embedded case study in the African context (Dyer & Wilkins, 1991; Yin, 1989). As franchising firms are now rapidly expanding to African markets, research needs to shed light on franchising practices and theoretical contributions.

3.2 Research setting

Alpha is a franchise network established and currently operated in six African countries. Eager to solve water problems in many areas across Africa with a model that can spur growth and be locally-driven, Alpha started to franchise soon after the original business was established, with assistance from franchising experts from the international franchising association (IFA) in the US. Franchising experts from the IFA also assisted the company by training the local trainer responsible for franchisees and other employees. Trainers and other employees such as country directors have mentors from the IFA for continuous learning. They also attend IFA workshops for skills development. In his interview with the local magazine, Alpha's founder explained his intention to create an approach where local people will invest in and run their own business, but not entirely by themselves. Franchising is one of the approaches that help ensure growth and encourage local entrepreneurs. This enables local owners with no experience to replicate already-proven business models and avoid business failure. However, the replicability of the model by franchisees requires the effective transfer of know-how.

Alpha franchisor co-invests with franchisee by equipping them with the appropriate technology that enables the filtration of water from any source (mainly

national water company). The water is first stored in the tanks and subsequently pumped into the machines. Franchisees get the license to operate Alpha brand by paying franchisee fee. Investment fee is paid to cover expenses during opening of the store and other on-going supports including trainings. Franchisees buy other essential material such as bottles, tabs, lids, and logos from franchisor. Franchisees make profit as the clients pay for each liter of water sold; while franchisor makes profit through royalty payment for each liter sold by the franchisee. Customers do not pay for plastic bottles every time they purchase water. When customers purchase Alpha water for the first time, they pay bottle deposit then keep on paying for refills.

Alpha is currently serving commercial areas (such as retail points, offices, shopping centers, sports centers) and residential/domestic market with four different water bottles: 20 litre with tap, 20 litre for dispenser, 18.9 litre and 5 litre. Of these products, the 20 litre with tap is the company's competitive advantage in the market as most domestic and commercial users prefer it for convenience. Most sales are based on delivery with a few walk-ins. Franchisee markets are divided into territories which have at least one of the market profiles specified above. Therefore, franchisees require knowledge that fits the profile of their markets. For example, serving retailers might require different techniques compared to serving domestic clients.

During the initial training, franchisees of the Alpha network learn about the franchising model, the company's operational routines and technical know-how. Initial training begins after a franchisee signs the contract but before opening the store. Franchisees and their employees receive two weeks of training at the company headquarters. As part of the two-week training session, the franchisee's front desk manager undergoes a shadowing where he/she is made to perform the duties of a front desk manager at the headquarters. The two weeks' initial training includes theory and practical sessions. Next, the franchisor conducts one week of field training to help franchisees during the store launch as well as to provide practical learning to marketing and sales employees.

In addition to the initial and field training, franchisees continue to get ongoing training every month as one of the support services specified in the contract. During the monthly training sessions, franchisees share their local knowledge with the franchisor for inclusion in future training programs. The content is normally based on what is happening in the network but also includes updates about products or changes to the business model. Franchisees are

encouraged to share their experiences during the meetings for group learning. To ensure successful knowledge transfer and business performance, franchisors select franchisees with business experience and help them recruit suitable employees.

Apart from initial and monthly training, franchisees gain knowledge through mechanisms like emails, text messages, phone calls and WhatsApp group chats.

3.3 Data collection

Initially, data collection strategy involved semi-structured interviews, company archives and news articles. However, during the introductory meeting, the franchise CEO gave permission for field visits and researcher to attend the franchisee monthly meeting. The addition to data sources increased the depth of understanding of the context and provided a broader picture of the topic under investigation (Eisenhardt, 1989). Face-to-face interviews were conducted from the franchisor and franchisee side. A total of 11 participants comprising of 3 from the franchisor and 8 from the franchisees were interviewed. Based on the recommendation by (Eisenhardt, 1989), the researcher's choice of number of participants was motivated by whether the inclusion of more participants yielded new information.

Table 2: Interview overview and data sources

Source	Unit of Analysis	Participants	Time	Used in Analysis
Semi-structured Interviews	Franchisor-Alpha	A1	23 min	Understanding of effective knowledge management and sharing processes in the network.
		A2	38 min	
		A3	18 min	
	Franchisees	ZA	35 min	Understanding knowledge sharing process with franchisor. Understanding knowledge sharing mechanisms mostly used and the most preferred for effective transfer of knowledge.
		ZB	56 min	
		ZC	56 min	
		ZD	31 min	
		ZE	43min	
		Front desk manager	58 min	
		Production manager	20 min	
		ZF	43 min	
Observation				

Franchisee monthly meeting		All franchisees, company's consultant, CEO and the founder	1 meeting in December	Gaining insight about the training practice and franchisees' sharing of knowledge and experiences.
Field visits		Company's consultant, trainer, 1 corporate store manager and 4 franchisees	4 field visits	Gaining insight about franchisees markets and application of acquired knowledge
Secondary sources		Newspaper articles, Company's website, Company's training structure		Gaining further knowledge about the company's activities and triangulate with interviews and observation.

Semi-structured interview questions focused on knowledge sharing mechanisms between franchisor and franchisees. The initial questions were exploratory in nature. For example: *How is knowledge transferred?* and *How do you assess the means of knowledge transfer*? *How do you share knowledge with other franchisees*? These questions sought to assess the training style, techniques, and environment. Data from experienced franchisees (with at least 3 years' experience) show the evolution of the training process in terms of experiential learning and adaptation of training programs to market needs.

3.4 Data Analysis

All audio recorded interviews were transcribed and imported into NVivo, the software for qualitative data analysis which enables analytical coding and formulation of links and memos from different data sources based on emerging themes (Corbin & Strauss, 2015). As recommended by Miles et al. (2019), tables and figures are used in the analysis for easy visualization of data. Both franchisor and franchisees mentioned different mechanisms, including emails, text messages, WhatsApp group chats, manuals, and training, but more emphasis was placed on in-person training, especially monthly sessions, as the preferred mechanism for knowledge transfer. Interview questions were revised to focus more on monthly training.

The interviewer scripts started from the franchisor side to franchisees, analyse the mechanisms used to share knowledge. Continually comparing and analysing data from each side led to the formulation of the first order category based on the Gioa methodology, an approach that fits well when a new concept is at the establishment stage (Gioia et al., 2012).The inductive method systematically connects data, extant theoretical ideas and competing empirical evidence to identify emerging concepts or constructs (Gioia et al., 2012; Piekkari, Welch, & Paavilainen, 2009).

Overlapping concepts in the first order were then refined and grouped to form eight higher dimensions or the second order category (see Figure 1), which are "researchers' theoretical-induced concepts" (Gioia et al., 2012). Unlike the first order categories, which are taken directly from interviewee quotes, second order categories are based on theoretical codes from existing literature. Finally, second-order categories are grouped to form the aggregate themes used to derive propositions (Eisenhardt, 1989; Ragin, 1997). Figure 1 below shows the data structure:

Figure 1: Data structure

First order categories	Second order categories	Aggregate themes
Fanchisor's side		
. We don't conduct very formal training needs assesment . The kind of evaluation piece of training hasn't been strongest part . There is different between what they think to be important and what we know they need to know	Training need assessment and evaluation	Training development and delivery
. I don't think we have delivery and I think our trainings are failing . Skills themselve..we need to learn about how to do it . Just because you are good in maths doesn't mean you can teach math.. . Training is more general..it's up to the trainer to come up with examples	Absorptive capacity and competence level	
Franchisees' side		
. People who trains us they don't know what's happening…no surveys.. . Understanding of what the day to day experience of franchisees, businessman in Uganda are	Field visits for capturing local content	
. They cannot have a tailor made…one size fit all . Not everything from Jibu works in each and every franchisee . My zone has three different market…you need to adjust to each customer accordingly . Corporate fails to understand that every territory has it's own complexity	One content fit all	Training adaptation to franchisees needs
. My needs are not the same as those who new…their complaints now were my complaints four years ago.. . Figure out who is new and conduct different trainings… . Until somebody already know how to deal with them then can teach how to deal with it….	Experiential learning	
. We need that kind of social interaction…share more knowledge and strategies . We can never have enough time to explore our individual needs and wants . But internally I'm sure there is somebody who has bigger, doesn't want to share it out	Social gathering and learning orientation	Relational mechanism for best practices sharing
. When we meet is about talking territory conflicts . Franchisees are fighting franchisees . I blame corporate for bringing competition	Knowledge sharing and the competitive environment	

4 Results and Discussion

This section first presents the results based on the mechanisms used in the Alpha franchise network. Furthermore, the results are also analyzed focused on the monthly training sessions, which generate the data structure in figure 1 and form the basis of the propositions.

4.1 Knowledge transfer mechanisms

This subsection answers the initial questions on how knowledge is transferred. The aim was to know what kinds of mechanisms are used and the most preferable in terms of efficiency.

When asked about the type of mechanisms used in knowledge transfer, the franchisor responded: "*It depends on the kind of information. We have multiple channels. In monthly training we inform the franchisees about price changes, product changes and quality issues. If we want to communicate to the whole network then we use emails, documents, and letters*" (A3).

Several franchisees also agreed: "*It always depends on the information that is being passed on. If it's urgent then I prefer a phone call*" (ZC), making phone calls the preferred medium as shown in Table 3. Booklets and emails were ranked low because some of the franchisees do not read company booklets: "*To be honest, I have not taken time to read through it*" (ZD). But those who read admitted that they prefer in-person training because the level of understanding is different as "*face-to-face meetings and going through the procedure helps more than just sending a booklet. Sometimes we understand things differently*" (ZE's manager).

Some franchisees do not operate their stores personally and limit access to information to their employees. For instance, ZF's manager said that "*The owner comes once a week and is responsible for opening emails. He is the one in the WhatsApp group but is not working in the store*". Therefore, most employees prefer in-person training, as ZF's manager said employees learn things at in-person sessions that they could not understand or access through other mechanisms.

Additionally, franchisee social gatherings were most often mentioned as a preferred mechanism when it comes to sharing best practices. Franchisees believe the gatherings facilitate sharing information openly. Unfortunately, this is not current practice in the network. Table 3 summarizes the current and preferred mechanisms used.

Table 3: Current vs Preferred knowledge transfer mechanisms

KT mechanisms	Current KTMs	Responses to the most preferred KTMs
Ongoing (Monthly) training	3	All the cases responded as "the most preferred"
Franchisees social gathering	-	All the cases responded as "the second most preferred"
Audit check	4	All the cases responded as "the third most preferred"
Phone calls	1	All the cases responded as "still important"
WhatsApp	2	All the cases responded as "still important"
Booklet, Emails, text message and letters	5	All the cases responded as "still important"

Showing disparities in the preference for mechanisms, the results were intriguing. Thus, the focus of interview was shifted around monthly training. But training records show poor participation of franchisees in monthly training compared to what they say about preferences. This contrasts with prior research in franchising (Perrigot et al., 2017) and knowledge management (Oliva & Kotabe, 2019) which highlight the salient use of face-to-face meetings in the knowledge transfer process. Franchisees mostly prefer training sessions and workshops because they can obtain tacit knowledge from franchisors (Gorovaia & Windsperger, 2013) and thus reduce the time to recover their initial investment (Minguela-Rata et al., 2010) and minimize failure (Michael & Combs, 2008). The following section present the results from both franchisors and franchisees concerning monthly training.

4.2 Ongoing franchisee training

This section presents the empirical findings on franchisee monthly training sessions. The results are derived from franchisor and franchisee perspectives, as shown by the data structure in Figure 1. Overall, three dimensions aggregated from eight second-order categories, derive propositions presented in this section.

4.2.1 Training content development and delivery

While training is important in know-how transfer from franchisor to franchisees, Alpha faces several challenges as it develops a viable business model for local business owners.

Training needs assessment and evaluation (TNA). Developing training programs has become a challenge for Alpha since the trainer doesn't conduct TNAs from franchisees to learn about their individual needs. Instead, the franchisor develops content based on what is assumed to be important for franchisees. This has caused many franchisees not to come to the monthly meetings because they believe their needs are not considered. "*I think there is a difference between what franchisees think is important or interesting and what they need to know. So, just because what we discuss may not be the most exciting thing for them doesn't mean it's not relevant*" (A3). Nevertheless, training evaluations are not conducted at the end of each training session to assess whether the content was useful or what should be done to improve it "*That kind of evaluation piece of training hasn't been our strongest part. If our training is really very strong then we would expect to see improvements reflected in the audits*" (A3).

Field visits for capturing local content. Franchisees urge the franchisor to gain a "*better understanding of what the day-to-day experiences of a franchisee are as a businessman within the country.*" (ZA). This would enable the franchisor to develop strategic training programs. One franchisee said: "*The people who train us don't know what's happening. They should stop a lot of writing and have somebody on the ground. It's sad they do no surveys unless somebody calls and says that there is a problem*" (ZE).

Absorptive capacity and competence level. Respondents from the franchisor side all pointed to the company's capacity in developing training programs and transferring knowledge to franchisees. A company training director admitted "*We don't have a very structured mechanism built into our training, it's actually something that I'm working on.*" (A3). Dissemination is a challenge. One respondent said: "*I don't think we have delivery and I think our training programs are failing right now. They are very poor, and we are trying to improve. It is one of our strategic initiatives and we need to learn how to do it. Fundamental teaching skills are needed*" (A1). Another respondent added, "*Just because you are good in math doesn't mean you can teach math. Transferring to another person is a skill*" (A2).

111

Field visits by corporate staff to each franchisee can help the franchisor understand the marketplace better and capture the uniqueness of each market for developing training programs (Fan & Ku, 2010; Minbaeva et al., 2018; Perrigot et al., 2017). Field visits also allow the assessment of franchisee needs that can be incorporated into the training programs (Brown, 2002) as well as increase training capacity (Martin & Salomon, 2003). Training needs assessments and evaluations can be carried out by both formal and informal methods, including questionnaires, interviews, observations, analysis of projected business goals, training audits and focus group discussions (Brown, 2002). In this case, field visits can foster interactions between franchisor and franchisees to create an opportunity to assess training needs and evaluate the effectiveness of training programs (Minbaeva et al., 2018).

However, adapting training content to different contexts may involve high risk (Hsiao et al., 2017). Recognizing that customized programs for each franchisee market can be cost-inefficient to franchisors, the trainer can create standardize programs but use specific examples to reflect different markets. To contextualize training content in a highly efficient way, the franchisor needs strong training skills and personal motivation (Iyengar et al., 2015). This leads to the first proposition:

Proposition 1: The more important training is to franchisees, the more important are the franchisor's training abilities to adapt training programs to fit local franchisee needs.

4.2.2 Training adaptation

Standardization and adaptation in cross border transfer of organizational practices have common elements in franchising and international business literature. Training content must be quickly adapted to fit market realities (Teece et al., 1997). As conceptualized in the following set of second order categories, data in this case suggest that training should be developed based on franchisees' individual needs and experiences.

One content fit all. There is a big gap between what franchisors think they should teach and what franchisee want to learn: "*There is a huge disconnect in terms of what we really need to serve the markets and what corporate thinks or the marketing guy thinks we need. They cannot have a tailor made. They want to have one size that will fit all the franchisees*" (ZA). This is because "*the goals are*

manufactured in the boardroom without consultation from franchisees, who know what really works or does not work in their zones" (ZA).

Franchisees serve different markets: "*My zone has three different markets. You need to adjust to each customer accordingly*" (ZB). As one respondent reflected back on some of the processes during the training program, he said, "*Corporate fails to understand that every territory has its own complexity* and *at times what comes from Alpha we need to discuss among us because not everything from Alpha works for each and every franchisee*" (ZA).

Different strategies for replication and adaptation have been identified in the franchising literature. Gradual adaptation to local markets is recommended following an initial deployment of standard original practices (Szulanski & Jensen, 2006;2008). But Brookes (2014) and Kalnins and Mayer (2004) suggest a quick adaptation to local needs. Based on the knowledge-based perspective, the data show that the differences in market profiles of franchisees necessitate the adaptation of knowledge to reflect franchisees' local needs. For instance, training on how to manage customers might require different content on how to handle commercial customers compared to residential customers. If the franchisor offers standardized content, strategies recommended during training sessions do not benefit many franchisees since such recommendations do not reflect their current challenges.

Proposition 2a: The more important the training is to franchisees the more important it is for franchisor training programs to reflect local market needs.

Experiential learning. At Alpha, after going through two weeks of initial training new franchisees join established franchisees for ongoing monthly training. One new franchisee declared: "*My needs are not the same as those of franchisees who are two months into the water service. I've been doing this for four years, so I just smile at what half the firms are saying and walk away. Their complaints right now were my complaints four years ago*" (ZA). It is not motivating for established franchisees to attend the meetings because no new knowledge is imparted "*It's been the same thing*" (ZD).

Learning from experienced people helps new franchisees to not make the same mistakes (Oliva, 2014). One respondent said, "*Until somebody already knows how to deal with them then they can teach how to deal with it*" (ZB). Even with business experience, franchisees need to follow the rules of the company "*Not everyone who has business experience selling fish, for example, can sell water. It's*

different" (ZC). One respondent suggested that the company should separate franchisees according to their age and offer different training because "*When somebody new comes in, they cannot be experiencing the same issues as somebody who has been in business for five years*" (ZB). As experienced franchisees, they skip those meetings.

Adopted from a learning curve, Figure 2 below shows the learning experience of a franchisee.

Figure 2: Franchisee learning experience
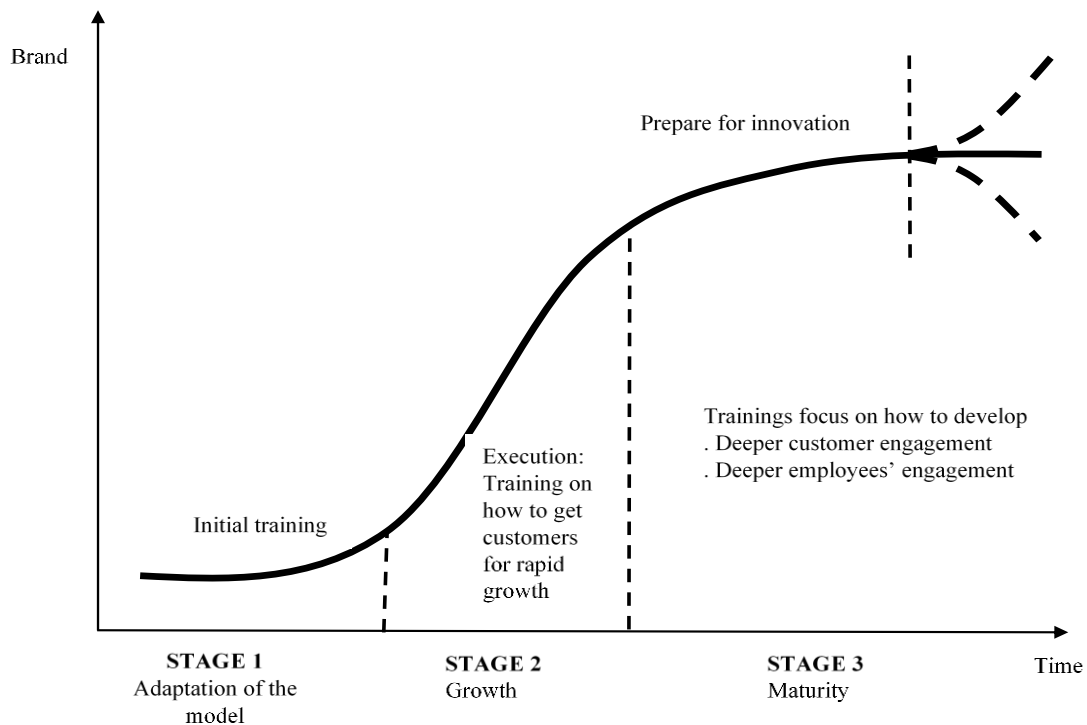
Stage 1: Learning and franchisee dependency on franchisor knowledge is high in this stage because the franchisees' knowledge of running a business is minimal (Blut et al., 2011). During this stage, franchisees learn everything about the business and the franchising model to understand all the key deliverables. The initial training should be comprehensive enough to encompass all functional areas of a business, including tailored training for employees of franchisees who oversee specific areas of operations like sales, customer care, production, and human resource management.

Stage 2: This is the execution/growth stage where franchisees learn how to integrate the training received in the first stage in order to grow their business.

114

Since franchisees grow by increasing customers, they can increase sales by integrating the franchisor training and their actual experience of day-to-day business operations. Training at this stage is based on strategies to increase the customer base and identify different kinds of support that franchisees require during execution. For example, franchisees with support from franchisor could establish sales promotions to increase sales.

Stage 3: This stage requires franchisees to form deeper engagements with customers. After acquiring more customers in stage 2, franchisees in the maturity stage start to experience slower sales and dependency on franchisor knowledge is reduced, with low motivation for training (Blut et al., 2011). However, franchisees seek new knowledge and opportunities to grow their sales. Training at this stage should be modeled to equip franchisees with innovative ways to increase their sales and remain competitive. It should be framed to enable franchisees to develop deeper relationships and social connections with their customers in order to maintain existing sales.

For example, franchisees should be trained to identify the 20 percent of customers who drive 80 percent of their business and then know the details, including family members. They may need to engage in their social activities like birthday parties and weddings (Fan & Ku, 2010). The development of relational norms with customers will lessen customer concern about prices (Jap & Ganesan, 2000). When franchisees make mistakes like late deliveries, customers can more easily forgive them. Deeper engagements with each group of customers will help franchisees learn about the likes and dislikes of each group and formulate innovative strategies to stay relevant.

The data reveal that all franchisees get the same training because after the initial sessions they are all grouped together for ongoing training. But prior research recommends adjustments according to the what and when of the learning curve (Levin, 2000). For example, the training provided to franchisees at stage 2 (growth) should be different from training provided to franchisees at the maturity stage (prepare for innovation). Experiential learning facilitates tacit knowledge transfer (Ahammad, Tarba, Liu, & Glaister, 2016). The important question franchisors should ask themselves in this case is what to communicate (training content) to franchisees who are new, who are growing and who are not growing or declining. As franchisees move from one point to another (inflection point), training content must adapt.

Proposition 2b: The more important training is for knowledge transfer, the more the franchisor needs to adapt training based on franchisee experience.

4.2.3 Relational mechanism for best practice sharing

The willingness to share knowledge largely depends on the social connections between parties and therefore social relationships have become a primary research topic in the knowledge transfer literature (Ahammad et al., 2016; Dacin, Dacin, & Tracey, 2011; Gorovaia & Windsperger, 2013; Inkpen & Tsang, 2005). Data in this study indicate that the rich transfer of best practices was hindered by a lack of social connections among franchisees, as conceptualized in the following two set of second-order categories.

Social gatherings and learning orientation. Currently, the relationship among franchisees in Alpha "*is business-like.*" (ZC). Franchisees said that the monthly training is good and must continue but they "*would appreciate a quarterly franchising get-together like a workshop to share experiences.*" (ZA). The respondent added: "*We can never have enough time to explore our individual needs and wants but it would be nice to have more time to actually talk about individual issues.*" (ZA). Franchisees suggested that social gatherings will create more time to share and a platform to get rich content because "*if someone can sell 100,000 liters a day, he is doing a lot of things that I am not doing*" (ZC).

Social gatherings will make franchisees come together like a family and open up to each other on how to run a successful business. In December 2018 franchisees gathered at Alpha headquarters for one of their monthly training sessions. Each franchisee had three minutes to speak about three good and bad things that they experienced in their operations for the past month. A few spoke about very general things and the rest of the meeting involved listening to one speaker after the other (a consultant from the US and people from the corporate office). One franchisee commented "*There is no time where we allow franchisees to actually say what's on our minds. As you saw at the meeting, we actually act in 3-4 hours of talking. And we franchisees just listen and pick up what we can and then walk away and go back to the same mistakes*" (ZA).

Knowledge sharing and the competitive environment. To boost sales, Alpha created a competition among franchisees called refer-a-friend where a customer gets a small bottle of water with the Alpha brand when he or she brings in a new customer. This increased the number of customers (200 targeted Vs. 170 actual) but also created competition among franchisees. As a result, sharing strategies and

knowledge became nearly impossible. "*Initially I blamed corporate for bringing competition. We didn't intend to do that. What we intended was, they wanted volumes to increase and because volumes should increase everyone would do whatever they have to do to increase volumes because there was a reward for growing volumes and the cost of those volumes growth was neglected*" (ZA).

Respondents said there was no sharing of knowledge because "*franchisees were fighting franchisees*" (ZE). Everyone wanted to become a winner so whenever franchisees met, instead of sharing new insights and strategies on how to increase sales, there was a conflict to resolve "*Whenever we meet, we talk about territory conflicts.*" (ZE). The situation generated a competitive environment where franchisees who performed well did not share what they did to increase customers because they wanted to remain in the lead.

Unlike Tsai (2002), who found that social relations increase knowledge sharing among competitive units, our data support other studies which find that social interactions among franchisees promote knowledge sharing in a cooperative environment (Darr et al., 1995; Goh, 2002; Hsu, Chou, Lee, & Kuo, 2019). The findings also indicate that competition among franchisees hinders sharing winning strategies during training at the expense of becoming a winner (Inkpen & Tsang, 2005). Discovering that competition blocked them from sharing best practices, franchisees agreed to seek more collaboration and knowledge sharing among themselves in order to compete with other water-producing companies in the market.

Franchisees insist that the franchisor consider relational aspects of network management for knowledge sharing. Sharing knowledge among peers of the same status reduces franchisee fear of being perceived as less knowledgeable or inexperienced by their franchisor (Borgatti & Cross, 2003; Del Giudice & Maggioni, 2014), thus enabling tacit knowledge transfer (Coun, Peters, & Blomme, 2019; Holste & Fields, 2010).

Proposition 3: The more important that knowledge transfer through social interactions among franchisees is, the more the franchisor needs to create collaborative learning environments among franchisees.

5 Contributions, Implications and Conclusion

This study examines training as one of the knowledge transfer mechanisms that enable tacit knowledge transfer from franchisor to franchisees. The training practices analysed in this study focus on the franchisor's ability to identify, deliver, and create social environments for knowledge sharing.

5.1 Theoretical contributions

This study contributes to the franchising and knowledge transfer literature in two ways. First, the study offers theoretical support that training is critical in effective knowledge transfer mechanisms. Providing relevant knowledge that fits local needs requires the sender to know the needs of recipients (Rui et al., 2016). Franchisors can identify franchisee local needs by conducting training needs assessments (P1). This requires the trainer's absorptive capacity to collect information from franchisees about local markets (Ishihara & Zolkiewski, 2017), and to develop and disseminate successful programs (Minbaeva et al., 2018). For example, a good training program on sales should identify different approaches on how to acquire customers in offices, residential, and retail market segments.

This study adds more insights to the relevance-based theory (Rui et al., 2016), by highlighting the importance of relevant training based on the market needs (P2a) and experience of franchisees (P2b).

The debate on standardization and adaptation is not new in the international business and franchising literature (Friesl & Larty, 2013; Jonsson & Foss, 2011; Winter et al., 2012). For instance, Szulanski and Jensen (2006) highlight the importance of gradual adaptation of franchisor knowledge. But the findings of this study urge franchisors to tailor their training to the franchisee experience in the networks and market profiles. Sharing key strategies requires a close relationship between knowledge sender and receiver, as argued by social network and relational governance theorists (Gorovaia & Windsperger, 2013; Inkpen & Tsang, 2005; Tsai & Ghoshal, 1998; Williamson, 1985). When parties in alliances perceive themselves as friends, trust is built which then facilitates not just knowledge transfer but the transfer of winning strategies (P3).

Second, the study contributes to the franchising context by showing the usefulness of training in transferring knowledge beyond the traditional sharing of tacit and explicit knowledge. Traditionally, the franchising model involves transferring knowledge from franchisor to franchisees (Oxenfeldt & Kelly, 1969).

As a result, training, especially in the early stages, was framed to help franchisees understand the company and his or her responsibility. On a continuing basis, franchisors offer ongoing training as part of support services to help franchisees grow their business (Minguela-Rata et al., 2010; Perrigot et al., 2017). Franchisors prepare training programs based on their knowledge, potentially disregarding the franchisees' local knowledge and market needs (Ishihara & Zolkiewski, 2017). Our study findings emphasize that training can be successfully used as a knowledge transfer mechanism when the content fits franchisee market needs.

As the findings reveal, franchisees serve different kinds of customers. Through training needs assessments, franchisors should be able to identify different needs and adjust training accordingly. The reconfiguration of training starts with the trainers' local market experiences and capacity to absorb local information and translate it into relevant content for local fit. Training needs assessments also help the trainer to know when and what to teach given differences of franchisee experiences in the network. Because mature franchisees have been in the network for a comparatively long time, their experiences may be useful for new franchisees (Coun et al., 2019). Experiential knowledge is easily transferred through social networks where franchisees can develop strong ties.

The theoretical contributions are summarized in table 4.

Table 4: Presentation of theoretical contribution

Propositions	Contribution to extant theories and franchising literature
Training development and delivery (P1)	Training needs assessment (TNA): by showing the need to conduct training needs assessment to identify franchisees knowledge gap and training needs that best fit their market profiles.
Training adaptation to franchisees' needs (P2a & P2b)	Relevance-Based View: by showing the need for adapting training programs to fit franchisees market/customers' needs. Organizational learning theory: by showing how knowledge content should be adapted according to different stages of franchisees' experiences.
Relational mechanism for rich content transfer (P3)	Social network: by indicating the importance of collaborative environment in sharing relevant strategies for competitive advantage of the whole network.

5.2 Implications

5.2.1 Implication for future franchising and knowledge transfer research

This study supports recent theoretical developments in the knowledge management literature that knowledge is key for competitive advantage and depends on transfer mechanisms (Rui et al., 2016).

This research provides an in-depth analysis of franchisors' ongoing training to franchisees. It demonstrates that training is a mechanism to transfer tacit knowledge (Perrigot et al., 2017; Windsperger & Gorovaia, 2011), but only if the knowledge is tailored to fit franchisee needs and experience. Future research might investigate how training needs assessments can capture variations in local markets. This may pave the way to identify the effect of institutional factors (e.g. legal system, culture etc), market competition and organizational factors (e.g. process and structure) in the development of training programs (Minbaeva et al., 2018). In addition, field visits will increase the trainer's knowledge of local markets and his/her ability to tailor training to each franchisee (Minbaeva et al., 2018). Therefore, examining factors that influence the trainer's ability to transfer knowledge might advance future research in franchising and how these factors might affect the trainer's selection by the franchisor. And, for franchisee local needs to be included in training programs, franchisors should place more emphasis on local needs and how to include them in the training program (Ishihara & Zolkiewski, 2017). Research could investigate franchisee capacity to communicate their training needs to franchisors (Martin & Salomon, 2003).

Recognizing that franchisee failure might result from failure to replicate the franchisor's complex knowledge (Winter & Szulanski, 2001; Winter et al., 2012); this paper calls for further research to examine how effective training facilitate the growth of a franchise network. This is particularly important given that the results show that the training programs for franchisees have diverse implications for their continuity and growth.

Similarly, future research might explore how adapting training content to franchisee needs and experience affects business performance. Since the development of training programs depends on the trainer's knowledge of local markets, future research should also investigate how the need for local knowledge affects the franchisor's market selection and consequently franchisee selection.

Social relations are not mechanism for knowledge transfer but rather they ease the transfer of tacit knowledge. New franchisees depend on the franchisor as

a source of knowledge. However, over time, knowing that other franchisees have valuable experiential knowledge might motivate new franchisees to seek knowledge from their experienced colleagues (Borgatti & Cross, 2003). Although franchisees insist on separate training between established and new franchisees, future research should investigate how this practice may affect knowledge accessibility between the two groups (Del Giudice, Carayannis, & Maggioni, 2017). Moreover, peer-to-peer knowledge transfer is facilitated by trust, which is developed through social relations and collaboration among franchisees. If these franchisees are separated according to their experience or market profile, research needs to explore at what stage franchisees should join together for social ties and knowledge sharing.

Another important area for future research is comparing the use of KTMs between developed and developing countries. KTM research in franchising so far has been done mostly in western countries (Gorovaia & Windsperger, 2010; Minguela-Rata et al., 2010; Perrigot et al., 2017) and less in developing countries (Khan, 2016) which makes comparison with developing countries difficult. This is a research gap which needs to be addressed.

5.2.2 Implications for practitioners

Findings of this study provide a practical guide for franchising practitioners. The study assists new franchises trying to develop a franchise system. As the franchise business model expands rapidly in Africa, local franchisors should first experience the business through company-owned stores to understand different market segments before starting their own franchises. This will enable new entrants to understand local markets and adapt training programs for effective transfer as well as increase franchisee compliance (Lee, 2017). Also, given that knowledge about the franchising model in Africa is still new, franchisors should understand that the use of appropriate mechanisms is vital for successful knowledge transfer.

Secondly, to enhance knowledge transfer that fits their market segments, franchisees should communicate to franchisors about their customer base or any changes in their local markets. Failure of franchisees to communicate their local knowledge may lead to the exclusion of important information that should be part of a training program (Ishihara & Zolkiewski, 2017).

Lastly, franchisees should understand the importance of social relations in knowledge sharing for brand competitiveness (Del Giudice et al., 2017). Sharing

best strategies increases brand competitive advantage that benefits the whole network (spill-over effect) and not just a single outlet.

5.3 Conclusion

This paper explores knowledge transfer mechanisms in African franchising markets using a single case study and inductive techniques. Results are applied to suggest theoretical propositions based on the training mechanisms most often used in knowledge transfer. Findings suggest that franchisors should develop skills to understand franchisee training needs and deliver the knowledge content that best fits franchisee market profiles and experience. In addition, franchisors should create social collaborative environments for franchisees to share best strategies.

Although training is crucial for building and maintaining a successful franchising business through transfer of tacit knowledge, the research investigating training and learning practices is nascent in the franchising literature. This paper suggests that further research is needed on the role of training in franchise performance.

5.4 Limitations

Despite the theoretical generalizability associated with case studies, the findings in this paper may be limited in generalization to other franchise networks. It is therefore recommended for future studies to use quantitative approaches that allow for generalization to the population of franchisee networks around the world. Specifically, survey and archival data can be used to empirically test the theoretical propositions in this paper by employing statistical techniques such as structural equation modelling (SEM).

Another limitation worth mentioning is the nature of the case. Although the case used in this paper is unique in many aspects given its institutional context of a developing market, the franchise network used is relatively new therefore some of the observations may not be applicable to similar franchise networks that are well established.

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