

# On enhancing knowledge transfer from a contingent workforce

Roel Peters  
Antwerp Management School

March 2, 2023

**Abstract**

*Keywords:*

Traditionally, management consultancy came in the form of strategic advice. However, over the past decades, the business world has witnessed that organizations increasingly focus on their core business, while outsourcing everything else to a third party of a “contingent workforce”: consultant and freelancers (Deleu et al. 2022). This practice has even penetrated organizations’ core value chain, a phenomenon known as business process outsourcing or BPO (Shi 2007). However, working with a contingent workforce, entails considerable risk.

## 1 Problem statement

An important risk is the **lack of knowledge transfer** from the consultant to the hiring organization, especially in the case of complex IT implementations. Why? When complex digital ecosystems are rolled out in an organization, several factors determine the success of the outcome. Not only should IT & business strategies be aligned, and should the solution be thoroughly adopted by business departments. Equally important is how the IT department succeeds in developing and absorbing knowledge about the solution and how it is embedded in the organization. A lack of knowledge transfer between the contingent workforce and the principal can result in a lack of understanding of the solution’s capabilities and applications. Several **negative externalities** can arise:

- inadequate support towards business users;
- incomplete maintenance with second-degree externalities such as risks for availability and security;
- over time, a capability overlap with other tools in the organization’s tool stack can develop.

There are many **causes for knowledge transfer to (partially) fail**:

- The consultant simply does not have the required knowledge.
- The consultant tries to lock in their client by not transferring all the required knowledge.

- The organization (or the manager, or the hiring department) does not explicitly expect to extract knowledge from the consultant, but simply considers them to be a “contingent workforce” in its minimalist interpretation.
- There are no adequate procedures, rituals and tools in place within the organization for facilitating the knowledge transfer.

## 2 The existing body of knowledge

### 2.1 Management Consultancy

There is already a fair amount of research with regards to management consultancy (i.e. in the narrow sense of the term, meaning “strategic business advice”) that describes why consultants exist (Canback 1998, Sturdy et al. 2009) and how they operate (Clark & Salaman 1998, Bessant & Rush 1995, Whittle 2006). Central in this literature is the diffusion and transferring of knowledge. Canback (1999) summarizes it neatly by stating that “external consultants have a wider knowledge base than their internal counterparts, having worked with more clients and in a wider range of industries. Having seen similar problems before, the cost of leveraging this knowledge base is lower for external consultants.” Despite this body of literature on management consultancy, research that focuses on IT-related consultancy is fairly scarce (Bloomfield & Danieli 1995, Nevo et al. 2007, Swanson 2010).

### 2.2 Knowledge transfer

There is substantial research on knowledge management (as a multidisciplinary discipline within the field of information science) and knowledge transfer (as a broad topic within the discipline). Furthermore, there seems to be some academic interest in knowledge transfer in a principal-agent context (Nan 2008, Haines & Goodhue 2003), as is the case with between an organization and their contingent workforce. This research could be key in steering and narrowing the scope of the research.

### 3 Research Questions

Novel research is feasible for drawing conclusions regarding the *raison d'être* of IT consultants with regards to knowledge transfer between IT consultants and their principals.

Given these observations, I propose the following research questions.

1. How successful is knowledge transfer between IT implementation consultants and internal employees at corporations with regards to adoption and implementation of IT solutions? (Methodology: Quantitative such as surveys)
2. What factors have a positive impact on knowledge transfer between IT implementation consultants and internal employees of corporations? (Methodology: Qualitative research such as deep interviews and focus groups)

The most relevant outcome of this research could be a set of recommendations, or a framework for maximizing knowledge transfer in the described setting.

### References

- Bessant, J. & Rush, H. (1995), 'Building bridges for innovation: The role of consultants in technology transfer', *Research Policy* **24**, 97–114.
- Bloomfield, B. P. & Danieli, A. (1995), 'The role of management consultants in the development of information technology: the indissoluble nature of socio-political and technical skills', *Journal of Management Studies* **32**(1), 23–46.  
**URL:** <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1467-6486.1995.tb00644.x>
- Canback, S. (1998), Transaction cost theory and management consulting: Why do management consultants exist?, Industrial Organization 9810002, University Library of Munich, Germany.  
**URL:** <https://ideas.repec.org/p/wpa/wuwpio/9810002.html>
- Canback, S. (1999), 'The logic of management consulting, part 2', **10**, 3–12.

- Clark, T. & Salaman, G. (1998), ‘Creating the ‘right’ impression: Towards a dramaturgy of management consultancy’, *The Service Industries Journal* **18**(1), 18–38.
- Deleu, M., Ruts, H.-J., van Assema, M. & Lubbers, A. (2022), *MSP-aanbieders op de Nederlandse en Belgische markt – editie 2022/2023*, NextConomy BV en ZiPmedia BV.
- Haines, M. N. & Goodhue, D. L. (2003), ‘Implementation partner involvement and knowledge transfer in the context of erp implementations’, *International Journal of Human-Computer Interaction* **16**(1), 23–38.
- Nan, N. (2008), ‘A principal-agent model for incentive design in knowledge sharing’, *J. Knowledge Management* **12**, 101–113.
- Nevo, S., Wade, M. R. & Cook, W. D. (2007), ‘An examination of the trade-off between internal and external it capabilities’, *The Journal of Strategic Information Systems* **16**(1), 5–23.  
**URL:** <https://www.sciencedirect.com/science/article/pii/S0963868706000345>
- Shi, Y. (2007), ‘Today’s solution and tomorrow’s problem: The business process outsourcing risk management puzzle’, *California Management Review* **49**(3), 27–44.  
**URL:** <https://doi.org/10.2307/41166393>
- Sturdy, A., Clark, T., Fincham, R. & Handley, K. (2009), ‘Between innovation and legitimization— boundaries and knowledge flow in management consultancy’, *Organization* **16**(5), 627–653.
- Swanson, E. B. (2010), ‘Consultancies and capabilities in innovating with it’, *The Journal of Strategic Information Systems* **19**(1), 17–27.  
**URL:** <https://www.sciencedirect.com/science/article/pii/S0963868709000560>
- Whittle, A. (2006), ‘The paradoxical repertoires of management consultancy’, *Journal of Organizational Change Management* **19**.