

# On enhancing knowledge transfer from a contingent workforce

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**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 or a “contingent workforce”: consultants 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 Relevancy

1. Trend: external > internal
2. Price of consultants
3. Hot topic: *when* to rely on consultants?
4. Productivity: is it worth it? If so, under what circumstances?
5. Job market & macro-economic aspects

## 2 State of the literature

### 2.1 What is IT consultancy?

Defining IT consultancy is no easy task. Over the past decades, their possible roles and variety of responsibilities have expanded drastically. Swanson (2010, 20-25) has described five different ways how consultants can contribute to an organization’s innovation process through IT.

- Business strategy: IT consultancy can lead the organization to new pursuits and technologies they wouldn’t have discovered themselves. Second, IT consultancy can frame the need for innovation in strategic terms, and they prepare and legitimize the need for change.
- Technology assessment: IT consultancy can facilitate the comprehension of IT technologies and its alternatives.

- Business process improvement: Innovations that involve IT usually come to fruition only after business processes have been revamped. Business process changes usually require an outside-in view and offer rich opportunities for consulting.
- Systems integration: In many cases, introducing a new technology requires that it needs to be integrated with existing systems and users need to be onboarded. This type of IT consultancy usually requires coding skills, hands-on design and implementation expertise
- Business support services: Finally, once the implementation is completed, it can take a while before the solution is entirely assimilated. IT consultants can provide complementary IT services such as support and maintenance until the technology is entirely embedded in the organization. The line between consulting and outsourcing is becoming increasingly blurred.

### 3 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.

## 4 The existing body of knowledge

### 4.1 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).

### 4.2 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.

## 5 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.

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