

‘One Shot’ Knowledge Transfer: Is It Possible? (Empirical Study on the Indonesian Creative Industry)

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Knowledge transfer activities in organisations were fundamental due to their potency to optimize knowledge resources. There are two contradictive opinions about knowledge transfer. Opinion A; knowledge transfer is mentioned as a ‘sticky’ process and it is constrained by differences in understanding of knowledge between the giver and the receiver and this could cause ambiguity. Opinion B; the process of productivity growth and technology diffusion through knowledge transfer is possible to be achieved through a ‘one shot’ process, which is instant and at low cost. Hence, knowledge transfer can occur directly within the organisation. Trust could act as the key, however, building trust is not a simple matter. Ideally, firms need employees who are fit for purpose and who understand and are complementary to other employees. Person job fit (PJ-Fit) and person organisation fit (PO-Fit) are theories that can explain the conditions under analysis. This research was conducted in the Indonesian SMEs creative industry sector in the Province of Special Region Yogyakarta; Province of Bali and North Sulawesi Province. Two hundred and one data sets were collected and analysed with PLS-SEM. The results showed that PJ-Fit had a positive effect on trust. In turn, trust would affect knowledge transfer. It can be concluded that, to allow employees to spontaneously share their knowledge, a firm needs employees to have knowledge, skill, ability and personality that can be internalized.

Key words: *Knowledge transfer, trust, person job fit, person organisation fit, Creative industry.*



Introduction

In the context of knowledge management, knowledge transfers within the firms is considered as a fundamental part, because it is related to the optimization of knowledge resources. Knowledge transfer could provide the creation of new knowledge to enrich and increase the stock of knowledge resources (Argote et al. 1999, Hoof and Ridder, 2004, Lin, 2007). For instance, Toyota took advantage on their knowledge transfer strategy between Toyota manufacturers and their suppliers in Japan to increase cost efficiency and differentiation (Dyer and Nobeoko, 2000).

There are two contradictive opinions about knowledge transfer. According to Szulanski (1996) knowledge transfer is a 'sticky' process, because it is constrained by differences in understanding between the knowledge giver and knowledge receiver and can possibly cause ambiguity. Meanwhile, according to Nelson (1981) it's possible for the process of productivity growth through knowledge transfer and technology diffusion to be a 'one shot' process, instant and at low cost. In other words, knowledge transfer can occur in the organisation immediately after an individual is accepted or employed by firm.

Reflecting on the theory of communication (Shannon and Weaver, 1949 in Indarti 2010), it is acknowledged that knowledge transfer is not an easy process. The success of communication depends on whether there is a common understanding between two parties. There will be hindrance to communication if there is a behaviour to keep the knowledge for oneself. If such a scenario occurs, then what Szulanski mentioned about knowledge transfer being 'knowledge stickiness' makes sense. On the other hand, if individuals already have the compatibility and mutual trust in the organisation, it is possible that individuals could be very open with their knowledge.

Ideally, organisations need employees who are willing and able to work together in everything that involves their duties and work. Therefore, the ideal for an organisation when recruiting workers is in trying to find suitable people. In this case the suitability of individuals for their work, organisational environment, and/or organisational characteristics all become very important. In other words, when an organisation is able to recruit individuals who are able to adjust to the organisation, it is not impossible that knowledge transfer within the organisation becomes easier or even for it to be possible to happen more quickly or even instantly. If this second scenario runs, then what Nelson (1981) stated saying that knowledge transfer is a "one shot" process also makes sense.

The phenomena about the differences in opinion on knowledge transfer can become interesting to investigate. This research is not trying to depend on one opinion, but rather to bridge these differences. It is predicted trust might be the key, as when there is good trust



between all elements in organisations it can be indicated that it is possible for the process of knowledge transfer to run easily within the organisations. Trust factor is a crucial factor for developing various knowledge activities according to Levin et al. (Levin et al. 2002). A higher level of trust between individuals and their organisations helps the process of knowledge transfer in organisations (Davenport and Prusak, 1998). Minbaeva (2014) found empirical evidence that the characteristics of the giver and receiver of knowledge as well as the close relationship between them had a positive effect on knowledge transfer. Therefore, trust could reflect that there is a close relationship between employees.

Referring to the opinions above, it can be concluded that building trust is a momentous issue for the firm to encourage their knowledge transfer activities. However, building trust is not an easy matter. One of the reasons, depends on the differences in individual characteristics, which could lead to conflict due to a mismatch between individuals. Hence, building organisational trust is still an interesting issue.

No human in this world is born to 100 percent fit with other individuals, but each individual can be harmoniously united. People could be put together to complement each other and people could be united if they share the same vision. The theories that could explain the kind of adjustment are the theory of person-job-fit (PJ-Fit) and person-organisation-fit (PO-Fit). PJ-Fit explained that every employees owned by the firm is ideally able to adjust their knowledge and skill ability (KSA) with their job description and PO-Fit employees so there's a fit between individual values and the organisational values. Individual KSA and individual values which fit with the need of firm, make it possible for tasks to be done more comfortably. Therefore, when faced with colleagues which are not on the same level of competency, or do not fit together, it is possible to laboriously build trust between them. In turn, having 'soul mate' partners which fit a company's KSA, including their personality and individual values is every company's dream.

At this point, the previous research provide the causal relationship between PJ-Fit and PO-Fit, trust and knowledge transfer. The research involved Small and medium enterprises (SMEs) in the creative industry sector as the research objects. Ayyagari (2006) and Wuryaningrat (2013) concluded that SMEs with a small number of employees and a simple organisational structure and without intricate bureaucracy make it relatively easy for these SMEs in the creative industry to conduct knowledge transfer activity.

Literature Review and Hypothesis Development

Knowledge Transfer

Knowledge transfer according to Nonaka and Takeuchi (1995) is closely related to knowledge creation. Kamasak and Bulutlar (2010) and Nonaka et al. (2006) defines knowledge creation as a continuous process of learning by acquiring new contexts, new views and new knowledge. The continuous learning process has more meaning if what has been learned by individuals is not kept to themselves, but can be shared with other individuals. This is consistent with the opinion of Grant (1996) that knowledge as a valuable resource must have the characteristics of "transferability".

Knowledge transfer is identical as social activity (Dalkir, 2005). Therefore, knowledge transfer needs interaction and a formal or informal forum for discussion of the tacit and specific knowledge used for it (Kamasak and Bulutlar, 2009; Indarti, 2010). Without knowledge transfer, knowledge will become underutilised (Srivastava et al. 2006). Based on this opinion, knowledge transfer is expected to be able to increase the intellectual property of individuals and organisations, which can help organisations boost their competitiveness.

Knowledge transfer in organisations was defined as the process of exchanging tacit or explicit knowledge to produce new kinds of knowledge (Hoof and Ridder, 2004). Explicitly, knowledge transfer is made up of individual activities on providing ideas, suggestions, information, experiences and expertise to another team member (Srivastava et al., 2006). Knowledge transfer activities are divided into two distinct dimensions, which is knowledge donating and knowledge collecting (Hoof and Rider, 2004).

Lam and Lambermont-Ford (2008) remind us that knowledge transfer is not an easy process due to the dependence on the individual's willingness to share. This difficulty is referred to by Szulanski (1996) as 'knowledge stickiness' because it is a social process that makes knowledge inherent in humans and has a complexity of difficulties and causal ambiguity. Polanyi (1962) termed this as tacit knowledge. And based on the different opinions from Nelson (1981) and Szulanski (1996), this research is indeed more directed to support the opinion of Szulanski (1996). However, this does not mean that Nelson (1981) is wrong, but it brings out these two contrasting opinions that are the focus of the study. As noted before in the previous section, the predicted key to the problem with this difference in opinions is trust.

Trust

Trust is a complex concept and is difficult to pin down because of involvement with many factors, and various expectations that exist in the forms of relationships. (Suot, 2013).



McEvily and Tortoriello (2011) found 129 definitions of trust over a period of 48 years, but in essence trust is a positive expectation. Colquitt and Roddel (2011) in explaining their findings in meta-analysis research say that there is much debate on establishing the measurement and operational definitions of trust but not on the conclusion that building trust will make broad positive impact on individual behaviour and organisational performance.

Trust is a form of relationship, where the relationship can be very successful depending on the level of trust between members in the company, the level of positive expectations and involved level of risk due to one's choice to trust others (McShane and Glinow, 2018). McShane and Gilnow further explained about trust as a form of perception that is built by one's belief in ability, integrity and virtue.

The definition of trust based on interpersonal trust. Interpersonal trust is "*The extent to which a person is confident in, and willing to act on the basis of, the words, actions and decisions of another person*" (McAllister, 1995). Interpersonal trust has two kinds of dimensions: cognitive and affective trust (McAllister, 1995). Cognitive trust is a form of trust in others that it thinks deserve to be chosen to be trusted based on their respect, knowledge or for other feelings. Trust in others is based on past interactions, similarities in social life, and consideration of the organisational context (Zucker, 1986 in McAllister 1995). Still according to McAllister work relations are a personal matter and will continue to develop over time, so it is possible that a colleague's track record will be taken into consideration before the decision to trust them is taken.

Affective trust however, can be established based on the existence of emotional bonds between individuals. People make or build affective trust as a form of investment, a form of attention and exceptions to their co-workers. This trust shapes the belief that investment, attention and concern for others will make others will do the same thing in return. The ability and the reliability of affective trust is able to be developed through previous interactions between individuals involved in an organisation (Lewicki et al., 2006).

Person Job Fit (PJ-Fit) and Person Organisation Fit (PO-Fit)

PJ-Fit theory is explained as the compatibility between individuals' attributes and the job descriptions. Kristof and Brown (2000) define PJ-Fit as a compatibility between personality, knowledge, skills and abilities with the job description. PO-Fit theory is explained as the compatibility between individual values and organisational values. Lee and Wu used PO-Fit to recognize the direction of the relationship between personality with work information and organisational attractiveness (Lee and Wu, 2012). This is in line with Schneider (1987) who showed that individuals would be interested in getting closer involved with their organisations based on their suitability and interests.



PJ-Fit, PO-Fit and Trust

In the context of this research, when trust is built as a result of conformity with the person's knowledge and skill ability (KSA), it is indicated that it will make the knowledge transfer between colleagues easier. According to Lee and Wu (2011) this suitability is beneficial for companies in building an innovative climate, such that Person Job Fit that can be built within the company will make the company have an innovative work climate. Therefore, it is possible that the right climate will help the company to improve its innovation capabilities. The compatibility of work with KSA (PJ-Fit) and organisational values (PO-Fit) seem very useful for companies, especially companies that need to have innovation as part of the company.

The prediction is that, if individuals already have compatibility and trust in an organisation, it is possible that individuals will be willing to be open with their knowledge. The existence of trust between individuals within their organisations helps the process of knowledge transfer in those organisations (Davenport and Prusak, 1998). Further, Davenport and Prusak (1998) explained that to share knowledge, people need to create 'common language'. According to Vianen et al., (2011) when an employee felt comfortable with his work and work environment, it will cause a sense of satisfaction in his work. Further explained, this compatibility will build strong trust between co-workers and their superiors.

It is possible, if the employees are very different from one another due of their different abilities and knowledge, it may be a factor in the reluctance to mingle with one another because of feelings of distrust. For instance, when an employee is very prominent in their field of work, while their co-workers seem unable to match in ability, it is very possible for a 'one-man show' to develop, and this means that there is a very low level of trust. McAllister (1995) said trust is born from cognitive and affective abilities. Thus, if there is a reluctance to choose trust in others because of an imbalance in the ability to carry out work and establish good relationships with colleagues, it will open up a strong possibility for feelings of distrust to develop. Hence, if there is no trust then there is no knowledge transfer (e.g. Levin et al., 2002). Minbaeva (2014) explained that characteristics and interpersonal closeness make positive impact on knowledge transfer. Szulanski (1996) mentions, that one of the factors that inhibit knowledge transfer is an unharmonious social relationship that does not let one trust another. To drive the successful process of knowledge transfer within the organisation, it requires enjoyment of helping others and knowledge self-efficacy (Lin, 2007).

Afsar et al. (2015) revealed that PJ-Fit positively influences the climate of innovation in an organisation that are motivated by innovation beliefs. Covella (2017), explains that PJ-Fit and PO-Fit has a positive effect on employee engagement and, driven by organisational trust, reduces the risk of employees leaving their job. The results of these studies form the basis for

stating that there is a possibility that when organisational knowledge, abilities, and expertise increase it will be easier to build trust between individuals in the organisation. And it can be concluded in the following hypothesis 1, namely:

Hypothesis 1: PJ-Fit has a positive effect on trust

The organisation is a collection of individuals who ideally fit in the individual characteristics of the organisational environment (Caplan, 1987). Therefore, the organisation and its members should have the same interests, vision, goals and culture. PO-Fit is a fit between the individual and organisational values (Kristof (1996). Vision and mission of the firm are the values that each employee has to respect and make part of their work life. PO-Fit theory believed if a firm only relies on KSA without the employee conforming to corporate values and have understanding of the vision and mission of the firm, then KSA probably will not provide significant benefits for the organisation. An effective company can unite their values, needs and interests with those of the individual employees (Cable and Judge, 1995).

Tom, (1971) in his article explained that in general people would choose an environment that has similar character. A corporation or company needs employees to have similarity with their values. In the process, employees can be selected based on this concept. For instance, Toyota in their continuous improvement and knowledge sharing culture, ideally need innovative, creative, and sociable employees (Dyer and Nobeoko, 2000).

Afsar et al. (2015) explained that PO-Fit has a positive influence on a firm's innovation climate. PO-Fit has an influence on employees' attachment to their work when strengthened with organisational trust (Covella, 2017). In other words, the fit of individual values, such as characteristics and culture, with organisational values could maintain corporate innovation and it is begins with building trust in the organisation. Once again closeness between individuals is the key to building trust. Close relationship between employees and the company, in terms of their fit on individual values and organisational values, will open up the possibility of feelings of trust. Therefore this statement can be written in hypothesis 2.

Hypothesis 2: PO-Fit has a positive effect on trust.

Trust and Knowledge Transfer

Trust is a very influential tool for company management because trust will boost business innovation performance (Hisrich et al. 2017). Davenport and Prusak (1998) argue that without trust, knowledge resources will decrease or stop benefitting the company. Davenport and Prusak (1998) describe three steps for explaining the relationship between trust and knowledge transfer. Step One; trust must have visible benefits when individuals make knowledge transfers. In other words, there must be clear evidence of the benefits of doing



knowledge transfer. For example, fair financial rewards (eg incentives) directly encourage building the foundation of knowledge transfer in organisations (Bartol and Srivastava, 2002). Step Two is to ensure that trust exists in all layers of the organisation. If trust fails to build up in an organisation, the knowledge and or information shared will become useless and inefficient. After ensuring trust is in every layer of the organisation, the Step Three is to build trust starting from top management as trust usually flows from top to bottom. In other words, upper-level management knowledge must be trusted by the lower level.

For an organisation to be a suitable knowledge sharing place, it requires people with the abilities that are deemed appropriate and trustworthy (Nelson and Winter, 1982 in Kogut and Zander 1992). Trust will make people willing of taking risks, when there is trust there will be a feeling that other people will not take advantage of the risks one might receive (McAllister, 1995). Referring to this opinion, it can be said that with trust, the employee of a company is likely to give what they have, including their knowledge and will not feel disadvantaged if they have to share their knowledge because they believe that the provided knowledge will not be used for personal gain. Hence, trust will develop or even create new knowledge.

A study conducted by IBM's information and technology company, revealed that the trust factor is the 'magic ingredient' for knowledge transfer (Levin et al., 2002). Abrams et al. (2003) provide empirical evidence that building organisational trust is the same as building knowledge sharing within organisations. Wu and Sukoco (2010), explained that knowledge sharing behaviours related to iPhone community in Thailand possibly strengthened because of the existence of trust between the community members. Trust that exists in a firm positive affects quantity and quality of knowledge transfer (Chang and Chuang, 2011). Such quantity and quality knowledge transfer could appear if they trust their peers and felt dependent on them (Park and Lee, 2013). Affective and cognitive trust influencing knowledge transfer enable the creation of a good environment for learning in organisation (Swift and Hwang, 2012; Zhang, 2014). A lower level of cognitive and affective trust between employees, will also effect on the lower level of knowledge sharing activity within a company (Blass and Martin, 2016). Thus the following statement can be written in hypothesis 3, namely:

Hypothesis 3 : The higher the level of trust, the more likely it is that the firm has better knowledge transfer activity.

In this research, trust is assumed to be the intervening variable of the PJ-Fit and PJ-Fit to knowledge transfer. This assumption arises because the principle of PJ-Fit and PJ-Fit is to find or get a match on all elements of the organisation in terms of knowledge, skills, abilities and organisational values. This compatibility is thought to be inclined to encourage trust. As explained in the previous paragraph, one can build mutual trust if individuals already have understanding and are suitable in the cognitive and affective side. Thus trust can be assumed

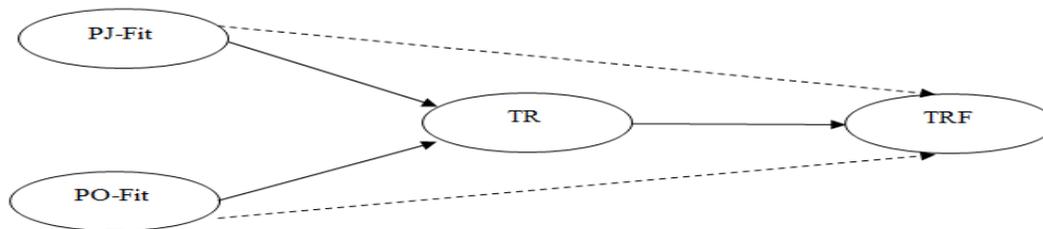
as a variable mediating the effect between PJ-Fit and PJ-Fit on knowledge transfer. Therefore this opinion can be stated in hypothesis 4:

Hypothesis 4: The higher the PJ-Fit and PJ-Fit, the more likely the organisation has better trust which in turn leads to higher knowledge transfer activity

Research Model

Based on the discussion about literature review and hypothesis development that has been described previously, the research model can be formulated, see Figure 1.

Figure 1. Research Model



Note: PJ-Fit : Person Job fit; PO-Fit : Person organisation fit; TR : Trust; TRF : knowledge transfer
➔ Indirect effect; ---> direct effect; Insignificant effect

Methodology

This research was conducted at SMEs in Indonesia's creative industry sector. SMEs in The Province of Special Region Yogyakarta (DIY), Province of Bali and the North Sulawesi Province act as Indonesia's representation. DIY was chosen as the representation of Western Indonesia, Bali Province was chosen to represent Central Indonesia and North Sulawesi Province to represent Eastern Indonesia. The provinces of DIY and Bali were selected because they are considered as the barometer of creative industries in Indonesia (Indonesia Creative Economy Agency (BEKRAF), 2017). The province of North Sulawesi, although it isn't considered a barometer of Indonesia's creative industry yet, but with high economic growth, North Sulawesi Province holds greater creative economic potential in boosting the area's economy (Indonesia Statistical Bureau, 2018; Bank Indonesia, 2018).

The explanatory research design and survey approach was used. This method provides for research results to be generalized across persons, settings, and time (Cooper and Schlinder 2008; Kerlinger and Lee 2000). To gain more credible data, this research used non random sampling and purposive techniques. This sampling technique needed to be used due of the obstacles in gaining data from SMEs agencies. Therefore, the samples had to meet three



criteria: 1). The SMEs had to have full-time employees with a minimum of three years' experience, since this length of time is assumed to give sufficient time to get to know each other. 2). The SMEs had 5 to 99 full time employees. 3). The SMEs produced and marketed art and craft products and information technology products.

The collected data is analysed with PLS-SEM using SmartPLS 2.0 M3 application. PLS-SEM is a multivariate technique combining aspects of multiple regression and factor analysis to examine the relationship construct simultaneously and it has enough statistical power even using a small sample size. PLS-SEM also provides robustness to deal with classical assumption problems (Hair et al. 2011). PLS-SEM applies bootstrapping techniques to test the hypothesis. The hypothesis is significant if the value of t-statistic (t-stat) ≥ 1.96 (two-tailed). This research involves the mediation effect. The test on mediating effect does not only measure the effect of direct relationship between independent and dependent variables but also measures the effect of indirect relationship between them by using a mediating construct. Baron and Kenny (1986) said that the mediating effect has to pass conditions, First, the direct effect between PJ-Fit, PO-Fit variables (independent variables) and knowledge transfer (dependent variables) must be significant. Second, the relationship between PJ-Fit and PO-Fit and trust (mediating variable) must be significant but the direct effect on the first condition will no longer be significant after the simultaneous test on the direct effect between the independent variable on the dependent variable and the mediating variable on the dependent variable is conducted.

Measurement

The closed questionnaire used the Likert scale (1= fully disagree to 5= fully agree) to indicate the respondents' level of perception on their agreement with statement choices. The owners or managers of SMEs were chosen as respondents because they acted as the main development agent in SMEs performance which take action on the most important roles and responsibilities (Stanworth and Curran 1976). Table 1 provides information on construct definitions, dimensions, instruments used and the item numbers in the questionnaire.

Table 1: Construct and Definition

Variable	Definition	Measurement	Number of item
<i>PJ-Fit</i>	The suitability between individual attributes of knowledge, expertise, abilities and personality with the characteristics and description of the job	Afsar et al. (2015)	4 (Likert scale)
<i>PJ-Fit</i>	The suitability of individual values and culture with company's values and culture.	Afsar et al. (2015)	3 (Likert scale)
<i>Trust</i>	The extent to which individuals are willing to put their trust by acting on the words of actions and decisions of others.	McAllister (1995)	11 (Likert scale)
<i>Knowledge transfer</i>	The process of individuals mutually exchanging their tacit or explicit knowledge and jointly creating new knowledge.	Hoof and Ridder (200)	10

One hundred questionnaires were directly distributed to SMEs in the Province of Special Region of Yogyakarta, one hundred questionnaires in Province of Bali and also one hundred questionnaires in Province of North Sulawesi. However, only two hundred and one completed the questionnaires. The 201 returned questionnaires were adequate since PLS-SEM has good statistical power and although the number size of the samples is limited, the number of samples represented a 67 percent effective response rate. Table 2 shows the profile of survey and business respondents.

Table 2: Profile of Survey Respondent and Business

Number	Category	Number of Respondent	Percentage
1.	Sex		
	a. Man	147	73,13
	b. Women	54	26,86
2.	Average age	41	
3.	Education		
	a. Elementary	12	5,97
	b. Junior high school	47	23,38
	c. High School	67	33,33
	d. Diploma (D1-D4)	25	12,43
	e. University level (S1)	50	24,87
4.	Position		
	a. Manager	47	23,38
	b. Owner	100	49,75
	c. Owner and Manager	54	26,86
	d. Others	-	-
5	Business Location		
	a. Village	101	45,27
	b. City	23	22,38
	c. Suburbia	77	32,33
6	Business Line		
	a. Craft	156	77.61
	b. Information Technogy	45	22.38
7	Average Number of Employee	4.95 (equal to 5)	

As shown in Table 2, owners and managers of SMEs taking part in this research consist of 73.13% men and 26.86% women. The participants of this research have a wide age range, but the average age is 41. The educational level of the owners and managers of SMEs is considered as high. Data gained show that most owners and managers of SMEs are graduates of either high school or university level, in a balanced proportion 33.33% for high school and 37.3% diploma (considered as University level).

The data business line shows many of SMEs were engaged in a craft business (77.61%) as opposed to an information and technology business (22.38%). The average of full time employee is 5 people, which could categorize as small business (BPS Criteria on MSMEs).

Validity and Reliability

The measurement method was adopted from previous research with some adjustment. The draft of questionnaires was reviewed, by academics and practitioner experts in the relevant fields, for suitable content, clarity, and understanding. After undergoing a tight and detailed review, the method was considered as adequate. To ensure data validity, convergent validity and internal consistency (e.g. composite reliability) were determined. See table 3 for the results for validity and reliability.

Table 3: Validity and Reliability

Item of Variables	Factor Loading	AVE	Treatment
<i>PJ-Fit</i>			
Pj1	0,764	0,584	
Pj2	0,684		
Pj3	0,769		
Pj4	0,833		
<i>PJ-Fit</i>			
Po1	0,834	0,626	
Po2	0,833		
Po3	0,701		
Trust			
T1	0,606	0,494*	
T2	0,515		
T3	0,694		
T4	0,812		
T5	0,577		Dropping T8 and T9
T6	0,559		
T7	0,695		
T8	0,429*		
T9	0,467*		
T10	0,753		
T11	0,540		
Knowledge Transfer			0.526

Kd1	0,670	0,532	
Kd2	0,736		
Kd3	0,674		
Kd4	0,674		
Kd5	0,732		
Kd6	0,871		
Kc1	0,883		
Kc2	0,917		
Kc3	0,644		
Kc4	0,598		

*not valid; dropping item

Table 3 shows the results of the convergent validity test of each construct. The test results show that for the construct of the variable PJ-Fit all statement items can be concluded to be valid because all the factor loading scores and AVE values are higher than 0.5. The construct of PO-Fit is also valid because the factor loading value of AVE is higher than the minimum acceptable score (0.5).

The construct of trust is still experiencing measurement problems. This is indicated by the AVE value of 0.494, under the rule of thumb value 0.5 (Hair et al. 2010). Likewise, items T8 and T9 should be dropped due to factor loading values that are still below 0.5. After T8 and T9 are dropped, the AVE value has changed to 0.526 which is higher than the rule of thumb 0.5 score. Then for the construct of knowledge transfer it shows that all loading factors are higher than the recommended value of 0.5 and have an AVE value which is also higher than 0.5. Therefore the knowledge transfer construct is already valid. A composite reliability and Cronbach alpha test, as part of convergent validity to measure internal consistency is also conducted (Hair et al. 2010). For all constructs, the value of composite reliability and Cronbach alpha is higher than 0.7 in light of Hair et al. (2010, 2011) mentioning that an ideal value should be higher than 0.7. The results of validity and reliability can be seen in Table 4.

Table 4: Reliability Test Result

Construct	Cronbach Alpha	Composite Reliability
PJ-Fit	0,769	0,849
PO-Fit	0,703	0,833
Trust	0,809	0,858
Knowledge Transfer	0,821	0,870

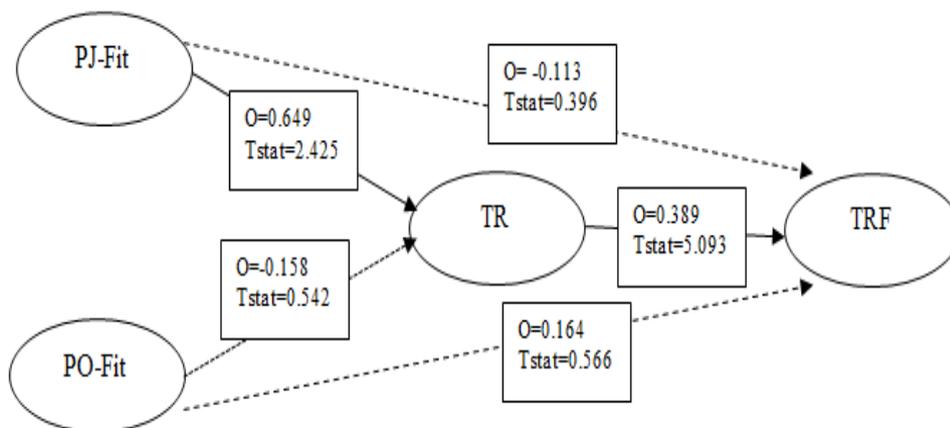
The Result

Data analysis in this study consists of two major steps; data reduction (validity and reliability) and hypotheses testing. The first step has been conducted and it provides good results. The subsequent step is testing the hypotheses, for the results see Table 5 and Figure 2.

Table 5: Hypotheses Result

	Original Sample (O)	Standard Deviation	T-stat
Indirect Effect			
PJ-Fit → Trust	0,649	0,267	2,425
PO-Fit → Trust	-0.158	0.292	0.542
Trust → Knowledge Transfer	0.389	0.076	5.093
Direct Effect			
PJ-Fit → knowledge transfer	-0.113	0.280	0.396
PO-Fit → knowledge transfer	0.164	0.290	0.566

Figure 2. Path diagram of conceptualized model



Note: PJ-Fit : Person Job fit; PO-Fit : Person organisation fit; TR : Trust; TRF : knowledge transfer

→ Indirect effect; ----> direct effect; Insignificant effect

As it can be seen in Table 5 and figure 2, PJ-Fit has a significant impact on trust in SMEs. The result shows that the t-stat value is equal to 2.425 which is higher than t-stat 1.960, and it is considered to be at significant level. In other words, this finding supports Hypothesis 1. For hypothesis 2, PO-Fit has no significant effect on trust, with the t-stat value of 0.542 which is lower than 1.960. Thus, it can be concluded that only PJ-Fit has a significant impact on trust in SMEs business. As table 5 and figure 2 show, trust has a significant impact on knowledge transfer activity in SMEs. The result shows that the t-stat value is equal to 5.093 which is higher than t-stat 1.96, and it is considered to be at a significant level. In other words, this finding supports hypothesis 3.

To test hypothesis 4, this research involves a mediating effect test, according to the recommendation of Baron and Kenny (1986). For the total effect output (see Figure 2), the path coefficient value between PJ-Fit on knowledge transfer (TRF) produces a direct path coefficient value of -0.113 and a t-stat value 0.396 which is lower than 1.960. That value has become insignificant as a result after measuring input trust as a mediating variable. Hence, PO-Fit's direct effect on knowledge transfer produces a path coefficient value of 0.164 and a t-stat value of 0.566 which is lower than 1.960. That value also has insignificant direct effect after the implementation of trust as a mediating variable. Based on the results it can be concluded there is full mediation effect, in other word hypothesis 4 supported.

Discussion and Conclusion

Empirical evidence explains that PJ-Fit has a significant effect in building trust. This means, KSA and personality of the employees are increasingly in accordance with the competencies needed by creative industry SMEs in Indonesia. Hence, it is a strong indication that trust could be more easily built in SMEs. In other words, a person will easily trust others if the person is considered to have capable KSA. In this case a PJ-Fit is needed to develop trust of the workforce (McShane and Gilnow, 2018). For instance in a classroom, when there is a student who is considered smart and has a nice personality, other students will more easily trust the student. This example can also apply to workers in a company, when there is craftsmen who stand out for their abilities, it is possible that other employees will emulate this or learn it too at least.

These results confirmed Kristoff and Brown (1996). They argued PJ-Fit can be evaluated from subjective and objective sides. Evaluation from the subjective side is an assessment of the perception of the individual itself and the assessment of others about how they think about their abilities with their work. While the objective side of the assessment is an assessment by comparing the results of their work with that of other individuals employed under similar work descriptions. In other words, the employees will always compare whether their abilities are appropriate or not. If their ability is considered fit and able it will make them more confident and it possibly becomes easier for them to be trusted by superiors or other colleagues. Positive employee job fit possibly encourages the growth of innovation trust and engagement among employees in organisations (Afsar et al., 2015; Covella, 2017).

Empirical evidence also explained that PO-Fit could not have major effect on building trust in SMEs. The central role of the SME owner or manager seems to be the reason. If the role of the owner is too strong, it is possible that the company's vision and mission become a personal vision and a company's culture a personal culture. Thus, it is possible that a business does not require conformity of the company values with the individual values. Another



reason is that SMEs owners may only need workers who can get good work done. For instance, a sculptor who is an expert sculptor, a craftsman who is indeed a craftsman, and an IT expert who is indeed an IT expert, while other factors may not be a priority.

The SMEs location in this research are mostly in villages and suburbs. These locations limit the choice of employees business owners have. Rawung et al. (2015) and Wuryaningrat (2013) explained there is a strong emotional bond between community's member and every business in a rural location as the business owners can only choose local residents as their staff. In addition, SMEs are usually a family business, so in the recruitment of workers possibly prioritise their family or relatives first.

Trust has a significant effect on knowledge transfer. Thus, it can be concluded that when trust has begun to be built, the SMEs employees could be more willing to share their knowledge. Davenport and Prusak (1998) explained that the benefits of trust must be seen and felt when individuals make transfers of knowledge. Trust must exist in all layers of the organisation, if trust fails to be in the organisation then the knowledge and or information shared will become asymmetric and less efficient knowledge (Gufon et al., 2013; Dalkir, 2005; Levin et al. 2002).

Trust in the company has a wide positive impact in the organisation (McAllister, 1995; Suot 2013). It is believed, this includes the impact on knowledge transfer activities. Zhang (2014) provides empirical evidence that cognitive and affective trust will encourage individual attitudes that are willing to provide knowledge, are seeking of knowledge and of adopting knowledge among employees. Blass and Martin's research (2016) provides empirical evidence that trust plays a major role in the willingness of employees to share and utilize tacit knowledge.

From the results of these studies it could be concluded that SME creative industries in Indonesia need to develop trust in their organisations. Then, employees will have the willingness to share their knowledge. After this, SMEs can expect more benefit from the knowledge transfer, such as improvements on innovation capabilities (Wuryaningrat, 2013).

Mentioned earlier in this research, the problem lies in contradictive knowledge transfer opinions by Szulanski and Nelson. The result confirmed that, to create knowledge transfer activity at Indonesia's SMEs creative industry, the fundamental key lies in trust. Then, this fundamental factor will provide the premise that knowledge transfer activity could be an 'one shot' activity.

Depending on this result, it can also be explained that in the process of encouraging trust, it all begins with recruiting and retaining the best people. Best people are those similar in



knowledge, skill and abilities with the existing employees so they can complement and refresh each other. For instance, Google could act as a major example in an information technology business due to their 'best fit' human resource strategy (Filipovic et al, 2011). These kind of employees could be termed a 'people champion' (Ulrich, 1997).

SMEs creative industry business owners who are pursuing sustainable competitiveness need to pay attention to assisted development of employees' competencies. Training on KSA probably need to done continuously. It is consistent with talent management's emphasis on an organisation's social responsibility for an organisation to continuously develop and assist their employees (McKinsey, 1997). After that, SMEs in the creative industry sector need to pay attention to their objective recruitment as they need to find employees that fit their KSA. Family, friendship, kinship or any other personal influence needs to be ruled out. It is possible, that an employee who is family or has kinship but doesn't have the needed competencies will sooner or later create unnecessary social and financial expense. Hence in a business, the owner may be better off not to mix their business interest with personal and family interest.

Empirical evidence explains that PJ-Fit has a significant effect on building trust. This means, when knowledge, abilities, expertise and personality of the workforce are increasingly in accordance with the competencies needed by SMEs in Indonesia, it is very possible that trust can be more easily built in SMEs. PJ-Fit relates to knowledge, expertise and abilities. That knowledge is believed to build trust. In other words, a person will more easily trust others if the person is considered to be capable. In this case PJ-Fit is needed to develop trust based on the cognitive trust of the workforce (McShane and Gilnow, 2018).

This opinion and example are confirmed by Kristoff and Brown (1996) who explained PJ-Fit can be evaluated from subjective and objective sides. Evaluation from the subjective side is an assessment of the perception of the individual itself or the assessment of others about how they think about their abilities regarding work that is or will be done. While the objective side of the assessment is an assessment by comparing the results of their work with other individuals who have similar work descriptions. In other words, the workforce will always compare whether their abilities are appropriate or not. If their ability is considered suitable and able it will make them more confident and possibly easier to be trusted by superiors or other colleagues. Positive job fit people encourage the growth of trust in innovation and engagement among employees in organisations (Afsar et al., 2015; Covella, 2017).

This research has, like any other research, some limitations. The first limitation is in that the research could not use long term results due to the research setting only existing of one period of time. Knowledge transfer, since it refers to a continuous learning process, probably need longitudinal studies. In following research, researchers may consider longitudinal studies to



help establish the continuous learning process issue. The second limitation of this study is that the construct is based solely on the subjective perceptions of SMEs' owners and/or managers. Although this approach probably was the most suitable one in the research context, it may still lead to social desirability bias. This research did not conduct a statistical test to give clear measure of how likely the bias is. Following research may consider including a statistical test to measure bias to convince others.



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