

Research on Knowledge Transfer, Cognitive Capital and Organizational Performance of Characteristic Hotel

—With Three Lanes and Seven Alleys in Historical District, Fuzhou City as a Case

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Abstract—Characteristic hotels often rely on the development of cultural and commercial cycle. The recognition, absorption and utilization degree of the local cultures by the operators will have an influence on the organizational performance. The empirical research on Three Lanes and Seven Alleys in Fuzhou and its surrounding areas has proved that the characteristic hotels can promote the accumulation of cognitive capital through the knowledge transfer of the operators, and the positive influence can be produced on the organizational performance of the characteristic hotels with the cognitive capital as an intermediary. The scientific grasping of knowledge transfer and cognitive capital by the related companies will be conducive to improving the organizational performance and promoting the development of the characteristic hotel industry.

Keywords—*Knowledge transfer; Cognitive capital; Organizational performance; Characteristic hotel*

I. INTRODUCTION

In recent years, the annual average investment in China's characteristic hotel industry has been grown by 13.1%. From the overall development trend of the China's hotel industry, the market share of small and medium-sized B&B and hotels at medium price and with clear features has begun to become prominent, and they are expected to become one of the main strengths for the development of the industry within the next five years [1]. Although the scholars at home and abroad have made relatively rich achievements in the research on the relationship among the knowledge transfer, cognitive capital and organizational performance of the organizational members, the characteristic hotel, as a new type of accommodation business, often relies on the development of cultural and commercial cycle represented by urban historic districts in a city, and the degree of recognition, absorption and use of the local culture by the companies will directly affect the effectiveness of the business activities and ultimately affect the organizational performance. Due to the relative lack of relevant research results, it is of highly valuable and meaningful for in-depth research to clearly elaborate and clarify the relationship among the knowledge transfer, cognitive capital and organizational performance of characteristic hoteliers.

II. LITERATURE DISCUSSION AND RESEARCH HYPOTHESIS

A. Characteristic Hotel

The characteristic hotel is a hot hotel business type in the leisure travel era, and there has no unified concept in the industry. Combining the relevant research perspectives, the characteristic hotel can be defined as an individualized accommodation business type with small scale, distinctive features and strong experience in tourism districts or characteristic streets in the city with tourist consumers as the main target. After hundreds of years or even thousands of years of precipitation and accumulation, the historic districts in the city have owned the personality and color that specially belong to the city and become an important representative building area for a city that can trace history and miss the past[2], and they are often hotbeds for breeding characteristic hotels.

B. Knowledge Transfer

Singley & Anderson (1989) believed that knowledge transfer is the process in which individuals transform and apply their own knowledge to another context [3]. Gilbert & Cordey Hayes (1996) believed that knowledge transfer is a dynamic development process in which the organizational members continue to learn, and the transfer activity can be completed only when the party accepting the knowledge transfer assimilates the knowledge into its own knowledge [4]. Argote & Ingram (2000) proposed that knowledge transfer is the process in which one knowledge subject influences the experience of another knowledge subject [5]. This research tends to: knowledge transfer includes the three stages, i.e. knowledge sharing, knowledge absorption and knowledge feedback, and it can be expressed as a dynamic process of transferring knowledge from one individual's brain to another individual's brain or from one organization to another organization [6].

C. Cognitive Capital

Cognitive capital is the sharing realization of knowledge such as expression, interpretation and common language among network members, and also the similarity degree of the understanding abilities of the network members (Nahapiet & Ghoshal, 1998)[7], including the sharing rules as well as the language and expression ways (Snowden, 2002)[8]. This research tends to: cognitive capital includes common language and cultural background, common recognition and trust, common norms and rules, and common values of organization members [9], and it is a cognitive system established during the exchanging, sharing and integrating process of the organization members' individual cognition and in accordance with the developmental laws of the organization's goals and also the sum of the common statements, goals, values and other resources among the members [10].

D. Organizational Performance

There are many research doctrines that focus on organizational performance, such as the resources doctrine in the strategic doctrine, the environmental doctrine and the ability doctrine [11]. The relationship theory of the corporate social responsibility and the financial performance is often expressed as the financial performance, the strategic management and the corporate governance are often expressed as corporate performance, and the human resource management and the organizational theory are commonly explained as the organizational performance [12]. Sloma (1980) believed that the organizational performance is a measure of the efficiency and benefit of the organizational goals. Ferguson (2010) believed that the organizational performance should be divided into two parts: job performance and financial performance [13]. Kaplan & Norton proposed the balanced scorecard in 1992 which can measure the organizational performance from four levels: finance, customer, internal process, learning and growth. This research believes that the organizational performance is the condition about the number, quality, efficiency and profitability of the completed task by the organization based on the individual performance.

E. Research Hypothesis

1) *The influence of Knowledge Transfer on the Cognitive Capital*

Mathieu & Heffner's research proves that knowledge transfer among members can influence the employee's behavior such as situational awareness ability, communication, decision making, adaptability, self-confidence, leadership, etc. and is conducive for employees to sharing the work task load, guiding the work behaviors, and assigning the expertise tasks [14]. The process of knowledge transfer is a process in which a common cognition of the organization can be developed through self-cognition transfer and sharing by individual members. Based on this assumption:

H1: Knowledge transfer positively affects the cognitive capital

2) *The influence of Cognitive Capital on the Organizational Performance*

Combining the research results of Wang Mingzhu (2007), Wang Qin (2008), Lu Binbin (2012) Chen Chao (2013) etc. the cognitive capital is the sum of the common cognition, statements, goals, values, etc. among the members of the organization, which can promote the organization members to carry out the active and initiative exchange of resources and sharing of knowledge so as to achieve long-term effective communication among the members of the organization and generate new knowledge in the exchange combination of resources and information [15], so that the growth of organizational performance can be stimulated. Based on this assumption:

H2: Cognitive capital positively affects the cognitive capital

3) *The Influence of Knowledge Transfer on the Organizational Performance*

Szulanski (1996) believed that knowledge transfer among individual members of the organization can have a stronger positive influence on the financial performance of the organization; Andrews & Delahaye (2000) believed that knowledge transfer among individuals is conducive to the improvement of individual or organization's learning ability. Knowledge transfer is the source of enterprise development and innovation and can serve the purpose of improving the organizational performance. In the era of knowledge economy, knowledge cannot only create the dynamic advantages for the sustainable competition of the organization, but can also create more value for the organization, and the exertion of knowledge effectiveness is based on knowledge transfer. Based on this assumption:

H3: Knowledge transfer positively affects the organizational performance

4) *The Relationship among Knowledge Transfer, Cognitive Capital AND Organizational Performance*

The resource-based theory believes that the competitive advantage of an enterprise comes from the various resources that the enterprise can use, and the extraordinary performance and value of the enterprise can be obtained through VRIN resources such as information, assets, abilities, knowledge, and organizational attributes (valuable, scarce, inimitable, and irreplaceable), (Barney, 1991) [15]. Corporate cognitive capital belongs to the category of knowledge assets, and the uniqueness and innovation of corporate cognitive capital can be formed in the process of the knowledge transfer activities with distinct personal characteristics, which can ensure the irreplaceability and inimitability of corporate knowledge assets, especially the cognitive capital, and the momentum can be created for the growth of the organizational performance. Based on this assumption:

H4: Knowledge transfer positively affects the organizational performance with cognitive capital as the intermediary

III. RESEARCH DESIGN

A. *Research Methods*

In the research, one of the ten historical and cultural streets in China - Three Lanes and Seven Alleys in Fuzhou and its surrounding areas are selected, and the intentional sampling questionnaire survey is used to test the relationship among knowledge transfer, cognitive capital and organizational performance. SPSS21.0 software and Amos21.0 software are used for data analysis, and the descriptive analysis, reliability analysis, demographic analysis, structural equation analysis, correlation analysis and other methods are mainly used.

The questionnaire contains two parts: The first part includes 14 related questions detailed in the three dimensions, i.e. knowledge transfer, cognitive capital and organizational performance (shown in Table 1); the second part includes 7 questions about individual's background information.

B. *Research Sample*

In the research, the characteristic hotel operator is selected as the object, 360 questionnaires have been provided to its founders, managers and grass-root employees, and 360 questionnaires have been collected, 18 invalid questionnaires have been deducted, and 342 valid questionnaires have been collected, with an effective rate of 95%. Among them, 203 are men, accounting for 59.4%; 139 are women, accounting for 40.6%. In terms of age distribution, the majority are 21-40 years old, of whom there are 136 people aged 21-30 years old, accounting for 39.8%; There are 94 people aged 31-40 years old, accounting for 27.5%. Their educational background is mostly university, including a total of 211 people, accounting for 61.7%; followed by high school education, including a total of 68 people, accounting for 19.9%. The main mode of

business is partnership, including 198 samples, accounting for 57.9%; followed by sole proprietorship, including 98 people, accounting for 28.7%. In terms of the number of employees, the majority own 1-5 people at most, and the number of samples are 234, accounting for 68.4%; followed by 6-10 people, and the number of samples in a total of 56, accounting for 16.4%. In terms of the personal entrepreneurial experience, the majority have 0-5 years' experience at most, including 161 people, accounting for 47.1%; followed by more than 26 years' experience, including 54 people, accounting for 15.8%. The entrepreneurship history of the majority of the hotels is 1-5 years, including a total of 167, accounting for 48.8%; followed by 6-10 years, including 46, accounting for 13.5%.

IV. EMPIRICAL ANALYSIS

A. *Descriptive Statistical Analysis*

The various average value of the knowledge transfer is within 5.38 to 5.63, the standard deviation is within 1.026 to 1.144, and the skewness is within -1.038 to -0.493. The average value of the cognitive capital is within 5.23 to 5.54, the standard deviation is within 1.064 to 1.180, and the skewness is within -0.596 to -0.341. The average value of the organizational performance is within 5.35 to 5.66, the standard deviation is within 1.017 to 1.203, and the skewness is within -0.619 to -0.225. The overall situations tends to agreement.

B. *Reliability Analysis*

1) *Factor Analysis*

The CR value refers to the central ratio index, and AVE refers to the average explanatory power of the factors in each dimension. Table 1 shows that the AVE value is around 0.7 and the CR value is around 0.9. The validity of the questionnaire is high.

TABLE I. FACTOR ANALYSIS TABLE

Dimension	Variable	Factor loading	AVE	CR
Knowledge transfer (KT)	Knowledge transfer can enhance our company's innovation ability	0.896	0.723	0.912
	Knowledge transfer can shorten the time required for our company's innovation	0.862		
	Knowledge transfer can stimulate our company's innovation activities	0.834		
	Knowledge transfer can produce a satisfactory result in our company	0.803		
Cognitive capital (CC)	My colleagues and I agree with what is relatively important in the work	0.832	0.672	0.891
	My colleagues and I have same opinions in the work	0.829		
	My colleagues and I share opinions and goals in the work	0.827		
	My colleagues and I are keen to pursue the goals and tasks of the organization	0.791		
Organizational Performance (OP)	Our organization's long-term profitability is higher than our competitors	0.866	0.711	0.937
	Our organization has a higher growth prospect in sales	0.858		
	Our employees have higher job satisfaction than our competitors	0.844		
	Our organization's employees are more productive than our competitors	0.835		
	Our goodwill is better than our competitors	0.828		
	Our products and services are better than our competitors	0.828		

2) Reliability Analysis

The "Analysis → Measurement → Reliability Analysis" function of SPSS 21.0 software is used to calculate and obtain that the Cronbach's α coefficient of 14 questions is 0.929, which has reached the level of "good", indicating that the internal consistency and stability of the variables are good, and the questionnaire data information is strongly reliable.

3) Correlation Analysis

Firstly, the respective questions of knowledge transfer, cognitive capital and organizational performance are combined

into one variable by means of the average value and named as "NEWKT", "NEWCC", and "NEWOP" respectively, and then the correlation analysis among the three ones is performed. The results are shown in Table 2, The Pearson coefficient between knowledge transfer and cognitive capital is 0.732, reaching a strong correlation level (0.6-0.8); the Pearson coefficient between cognitive capital and organizational performance is 0.638, reaching a strong correlation level; The Pearson coefficient between knowledge transfer and organizational performance is 0.490, reaching a moderately correlation level (0.4-0.6).

TABLE II. CORRELATION ANALYSIS

		NEWKT	NEWCC	NEWOP
NEWKT	Pearson correlation	1		
NEWCC	Pearson correlation	0.73**	1	
NEWOP	Pearson correlation	0.49**	0.63**	1

^{a. **}. Significantly correlated at the .01 level (both sides).

C. Structural Equation Analysis

There is a main measurement standard of good fitness with the AMOS model in the academic community: GFI, AGFI, CFI, NFI, NNFI, IFI and RFI values are greater than 0.9, RMR value is less than 0.035, and RMSEA value is less than 0.08. In this research, AMOS 21.0 software is used to test and the structural equation model method is used to further explore the relationship among knowledge transfer, cognitive capital and organizational performance. The fitness standard and the fitness value are shown in Table 3. Among them, the chi-

square fitting index X^2/df is 2.835, the fitness index GFI value is 0.919, the AGFI index value is 0.885, the comparative fit index CFI is 0.956, and the approximate error root mean square RMSEA value is 0.073, reaching the ideal levels, indicating that the overall fitness of the model is good.

TABLE III. MODEL FITNESS STANDARD AND SAMPLE FITNESS VALUE

Fitness index	Fitness standard	Sample fitness value
X ² /df	≤3.000	2.835
GFI	≥0.900	0.919
AGFI	≥0.800	0.885
CFI	≥0.900	0.956
RMSEA	≤0.080	0.073

The evaluation results of the relationship model among knowledge transfer, cognitive capital and organizational performance are shown in Figure 1.

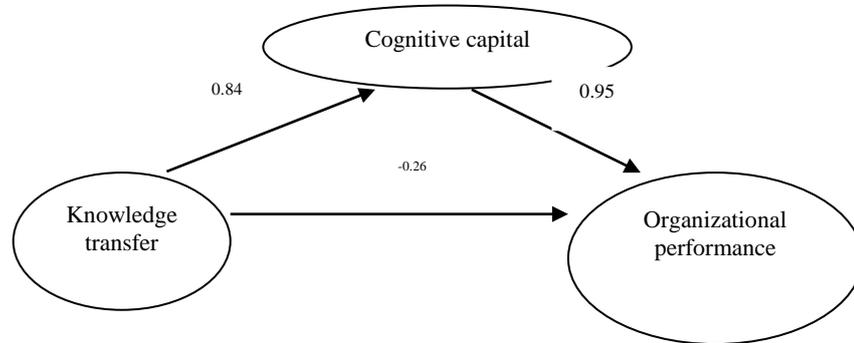


Fig. 1. Structure model evaluation results

In the hypothesis test of this research, the parameter estimate value and P value in the two dimensions in the assumption is use to measure whether there is a correlation

between them. The parameter estimate value and P value in Table 4 show that the H1 and H2 assumptions are established and the H3 assumption is not established.

TABLE IV. PARAMETER ESTIMATE VALUE AND P VALUE TABLE

Assumption	Parameter estimate value	P value
H1	0.809	0.000
H2	0.935	0.000
H3	-0.248	0.034

The intermediary effect test adopts the Bootstrap repeated sampling technique, and in the sample data analysis, 1000 withdrawal and return times of samples are set in the sample data, the confidence interval is 95% (the former 2.5% and the latter 2.5% are taken as the critical value), the intermediary effect obtained is as shown in Table 5 and Figure 2, the

intermediary effect of cognitive capital is 0.795, which is greater than 0.500. Hypothesis that H4 is supported, that is, knowledge transfer has a positive influence on the organizational performance through the cognitive capital intermediary.

TABLE V. INTERMEDIARY EFFECT ANALYSIS TABLE

Path	Intermediary effect estimate value	Average intermediary effect	95% confidence interval	
			Upper limit	Lower limit
Knowledge transfer→ cognitive capital→ organizational performance	0.84×0.95=0.798	0.795	0.997	0.629

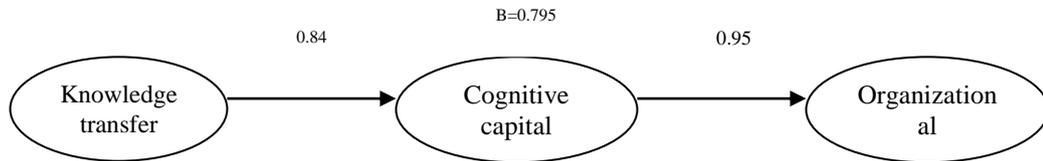


Fig. 2. Intermediary effect figure

V. CONCLUSIONS AND PROSPECTS

This research shows that there is a positive influence relationship among knowledge transfer, cognitive capital, and organizational performance of characteristic hotel operators, and the effect of the cognitive capital as an intermediary is significant. In terms of the theoretical implications, firstly, the knowledge transfer, cognitive capital, and organizational performance should be included into a unified framework for empirical research and research perspective innovation; secondly, the research has found the intermediary role of cognitive capital, which has enriched the researches in this field. The development of characteristic hotels relies on the cultural values of the historic streets in the city, the traditional culture can be used as a source of inspiration to absorb and innovate the essence of traditional culture and create diversified characteristic products for the operations of characteristic hotels. The common mental mode can be formed for the characteristic hotel operators in the work through the knowledge transfer and cultural sharing and exchange and in combination with the own values of the company, so that a cognitive capital consistent with the traditional culture and organizational concept can be achieved, and ultimately, this cognitive capital will be reflected in the characteristic products and services so as to promote the organizational performance. In this process, the cognitive capital will play a positive role as an intermediary in the influence of the knowledge transfer on the organizational performance.

In this research, there are still some limitations. The first is the limitation of the sample selection and the data collection of questionnaires, there are objective differences among urban historic streets in different regions, and in the future, the width and depth of empirical research should be expanded, and the universal value of the conclusions should be strengthened. The second is the use of the characteristic hotel operator as the overall research object without conducting detailed studies on different types of operators, and in the future, the stratified sampling methods can be used to process the data so as to improve the accuracy of the conclusions.

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