

## Global Knowledge Management (KM) Strategies and the Challenges Across Boundaries

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### Abstract

*This paper discusses the global KM strategies and the challenges faced in managing knowledge across boundaries. The strategies involving global KM will be discussed followed by the identification and analysis of the factors involved in the successful implementation of KM strategies globally. Lastly the challenges faced in the implementation of global KM strategies in teams and units that are geographically dispersed will be discussed.*

### Global KM Strategies

Bartlett and Ghoshal (1989) identified four strategies for competing across borders- *multinational-autonomous* foreign subsidiaries, enabling local market adaptation, *global-foreign* subsidiaries are regulated by home office headquarter, enabling economic efficiency, *international-parent* knowledge exploitation through diffusion and adaptation, enabling rapid development and innovation, and *transnational*-utilizes global principles and practices them locally, enabling local flexibility and global benefit.

Desouza, and Evaristo (2003) indicated that the main global KM strategies utilized could be classified based on the governance – *headquarter commissioned and executed*, *headquarter commissioned and regionally executed*, and *regionally commissioned and locally executed*. Global markets have introduced the KM of not only tangible resources but also intangible resources. Allee (1997) defined KM as a process of releasing the knowledge and letting it flow to where it is needed. The KM was redefined as *knowledge partnering*. Grant (1996) indicated the necessity of organizations to master the act of integration of knowledge that is spread out in order to achieve and maintain competitive advantage. This knowledge integration can be challenging especially in a globally dispersed team environment. In an attempt to conquer these challenges managers struggle to conceive new strategies for KM leading to intellectual property capitals and innovations (Desouza, &Evaristo, 2003). Although several KM strategies have been devised with the sole purpose of benefitting the organizations in achieving competitive advantage and innovation, there are factors that should be taken into consideration that can potentially impact the success of these strategies (Davenport, Jarvenpaa, & Beers, 1996).

### Challenges in knowledge management across geographical boundaries

Although KM is currently a hot topic (Davenport et al., 1996; Desouza&Evaristo, 2003; Nonaka, 1994, Nonaka& Takeuchi, 1995; Zack, 1999) there is a lack of literature on global KM and challenges (Desouza&Evaristo, 2003). The lack of literature is an issue, since literature indicates the importance of globalization and presents evidence for organizations to compete globally (Bartlett and Ghoshal, 1989; Drucker, 1995; Hanseth& Baa, 2000). Gassmann, & von Zedtwitz, (2003) conducted a study involving 15 industries, with three different forms of governance, nationally as well as internationally. The findings of the study indicated that the knowledge is embedded in the organization's processes, work groups, and systems and is a challenge to identify and find it. The study also indicated that articulation can be a challenge and that communication of topics of knowledge to be exchanged increases the chances of efficient knowledge transfer between two entities geographically dispersed.

It was also found that transfer of knowledge between groups that share the same norm was easier, indicating that culture also poses as a challenge (Gassmann, & von Zedtwitz, 2003).

The most critical determinants in the transfer of knowledge between dispersed or virtual groups and teams were found to be *systemic nature of the project, type of innovation being pursued, the required knowledge conversion modes, and the extent to which resources are bundled together*. Other challenges were found to be *the number of disperse groups, the team's residence country's degree of industrialization, relative costs of running the virtual team, advances in information and communication technologies, and degree of decentralization* of the teams (Gassmann, & von Zedtwitz, 2003).

Desouza, & Evaristo, (2003) conducted a study of 24 global countries identifying the challenges organizations face in trying to capitalize on knowledge and expertise in geographically disbursed units. These issues are *change management and culture*. 90% of the firms studied indicated change management posed as a barrier in KM execution across boundaries. The traditional trend in KM is to seek knowledge on a "need to know basis" but the new trend is to seek knowledge continuously. This change can be a challenge due to old habits. Contributions to the knowledge repository in an organization in one location is not a challenge but when units are dispersed contributions to the knowledge repository can be challenging due to distance and language differences (Kiesler & Sproull, 1992). Another challenge recognized by Desouza, & Evaristo, (2003) is the differences in knowledge sharing and usage due to cultural differences.

Hofstede (1985) defined *culture* as a phenomenon that is a combination of social and environment differences that are shared by a group of individuals from a location and differ from individuals from another location. The five dimensions of culture are *power distance*-defined as the extent to which members of a culture accept inequality; *avoidance of uncertainty*- is the need for formal rules leading to lack of tolerance for ambiguity; *femininity*- norms of the members of the culture towards the behavior of women; *time horizon*- refers to short term or long term orientation of an individual; and *individualism*- the extent which an individual puts his interest ahead of the group's interest. Desouza, & Evaristo, (2003) found that in eastern cultures knowledge sharing was more informal than electronic based. Hall And Hall (1990) identified a difference in the *context cultures*. In North America the emphasis was on high context and knowledge was controlled and not free flowing, where as in low context cultures such as Spain and Japan, knowledge flowed freely.

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