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**KNOWLEDGE SHARING AND MANAGEMENT IN
LARGE, MULTI-NATIONAL CORPORATIONS**

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Knowledge Sharing and Management in Large, Multi-National Corporations

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Abstract – Knowledge sharing and management (KSM) has emerged as an important issue for international management. However, there is considerable confusion as to what constitutes organizational knowledge, whether and how it can be systematically managed, and some of the effective organizational and technological mechanisms for facilitating knowledge management. This paper seeks to unravel the complexities associated with it, initially by developing a typology of such mechanisms.

Keywords: Organizational, Knowledge, Management, Support

INTRODUCTION

The notion of contemporary organizations as knowledge producing, sharing, and disseminating entities is gaining rapid currency among researchers in Organizational Studies and International Management, among others. While the critical role played by the stock and application of knowledge in economic development at the macro-economic level is relatively well understood (Machlup, 1980; Nelson and Winter 1982; Eliasson et al. 1990), its centrality in the management of individual firms is more of a recent concern. This interest is perhaps a response to the challenges posed by an increasingly complex business environment characterized by intensified competition, greater globalization, and compressed product life cycles and the consequent information overload for senior management. Concurrently, advances in new information and communications technologies (NICT) in the form computer supported cooperative work (CSCW) systems, groupware, knowledge-based systems, internet, intranet, and the world-wide web (WWW) promise capabilities for developing effective solutions to the KSM problem. The issues referred to above have been faced in a more acute form by large, multinational corporations (MNCs) for which the forces of global integration, local differentiation, and worldwide innovation have become stronger and more compelling.

REVIEW OF LITERATURE:

There is emerging consensus that perhaps the most important source of sustainable competitive advantage in an increasingly turbulent global business environment is knowledge. The organizational capability to create, recognize, disseminate widely, and embody knowledge in new products and

technologies is critical when faced with shifting markets, rapid product obsolescence, hyper-competition, and financial upheavals (Nonaka, 1991). However, despite extensive discussions of concepts such as 'knowledge management', 'intellectual capital' and related ones like 'organizational learning' and 'organizational memory', there appears to be a lack of conceptual clarity in the minds of researchers and practicing managers on their specific meanings. Davenport et al. (1998) has suggested that it is not useful to worry about the deeper ontological and epistemological dimensions of knowledge; they instead focus on specific knowledge management project as the unit of analysis. This, in our view, is a risky strategy since it is hard to study knowledge management without a coherent conceptualization of organizational knowledge. We present below, a review of the divergent perspectives on organizational knowledge and the latent assumptions that underpin them.

1. ECONOMICS AND ORGANIZATIONAL KNOWLEDGE:

Traditional microeconomic theory depicts (technical) knowledge as a quasi-public good. It is characterized by high levels of indivisibility and non-excludability. Its generation is the result of scientific research and general methodological procedures. Its transfer is largely unproblematic and is viewed as a spontaneous aspect of the economic system. The ability to appropriate the knowledge by the innovator is low even though patenting and intellectual property rights can reduce the scope for societal benefits from the knowledge (Arrow, 1969; 1994; Antonelli, 1999). This perspective has been challenged by a number of researchers. The distinction between technological information and technological knowledge is sharply

drawn with the latter conceptualised as incorporating a set of capabilities and competences needed to utilize the knowledge which in turn can be leveraged to generate new knowledge. Such knowledge is generated by a process characterized by cumulateness and path dependence (Jorde and Teece, 1990; David, 1993, among others). Knowledge, according to this view, is highly localized and embedded in the previous background and experience of individual firms. It is the result of a learning process and involves highly specific and relatively 'tacit' knowledge processing (Antonelli, 1999).

2. OTHER REPRESENTATIONS OF ORGANIZATIONAL KNOWLEDGE:

The central role of knowledge in the firm and the organizational processes and mechanisms for its integration and sharing across national borders is the primary basis of Kogut and Zander's theory of the multinational corporation. They have also highlighted the need for the mechanisms to be sensitive to the degree of tacitness or codifiability of the knowledge (Kogut and Zander, 1992a; 1992b) A range of definitions and perspectives on knowledge has been presented in the organizational literature. Kerssens Van-Drongelen et al. (1996) defines knowledge primarily in the context of R&D as "... information internalized by means of research, study, or experience that has value for the organization" (Kressens Van-Drongelen et al., 1996). Similar conceptualizations of knowledge as the result of processing and refining of information have been implicitly or explicitly employed by a number of authors. This view is an extension of the information-processing paradigm popularized by March and Simon (1959), Simon (1997), and Galbraith (1974). More recently Simon (1996) has argued that the challenge for today's managers is to filter and extract relevant knowledge from the vast amounts of potential and actual information available from internal and external sources.

3. KNOWLEDGE SHARING AND MANAGEMENT:

As we would expect, the fundamental differences between the system theoretical and pragmatic views in characterizing organizational knowledge are reflected in the divergent approaches and perspectives on knowledge creation, sharing and management in organizations. In general, the former tends to focus on structural and systemic approaches while the latter emphasizes human-centered processes such as socialization, self-organizing teams, extended social interactions, personnel rotation etc. Besides the diverse modes of knowledge creation and transformation, the globalized firms are faced with the challenge of mobilizing and integrating fragmented forms of knowledge spread all over the world (Cohendet et al., 1999). As well, developments in new information and communications technologies (NICT) are increasingly making it easier to separate,

transport, and trade knowledge (Antonelli, 1996). Nonaka has described processes for the creation and transformation of knowledge from tacit to more explicit forms. These include sharing language, experiences, mental maps and models through socialization, reconfiguring existing knowledge through sorting, adding, categorizing, explicit knowledge through combination (typically using computer technology), externalization of tacitly held knowledge through the use of appropriate metaphors and other triggering devices, and internalization of explicit knowledge by recontextualizing along the lines of double loop learning proposed by Argyris and Schon (1978). A detailed field study exploring the major knowledge sharing issues, practices, constraints, and mechanisms was carried out in selected departments and business units of a large, multinational company with knowledge-intensive operations. The field study lends qualified support to the proposition that exclusive focus on certain types of knowledge can be counter-productive. Knowledge sharing and management systems and processes in large global companies need to be integrative and flexible enough to facilitate the dynamic interplay between different forms of knowledge. A set of system requirements targeted to enhance these capabilities is outlined.

CONCLUSION:

The growing literature on the organizational processes and mechanisms for knowledge sharing and management especially in large, global companies by drawing on and synthesizing related bodies of writing, we have attempted to further the debate on what constitutes organizational knowledge, the diverse forms in which such knowledge manifests leads to a review of some of mechanisms and systems for knowledge sharing and management in contemporary organizations and the development and elaboration of a typology of such mechanisms.

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