Chapter XXI
A Cross-National Comparison of Knowledge Management Practices in Israel, Singapore, the Netherlands, and the United States

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ABSTRACT

The purpose of this chapter is to explore organizational knowledge-based practices. A distinguishing feature of the successful post-Network Age enterprise is its intrinsic entrepreneurial character that manifests itself in key organizational knowledge practices relating to organizational culture, processes, content, and infrastructure. The chapter reports on the outcome of field research in which entrepreneurial firms in four geographic regions were analyzed with the help of a diagnostic research tool specifically developed for profiling organizational knowledge-based practices. The diagnostic tool was applied in firms located in the U.S.'s Silicon Valley, Singapore, The Netherlands, and Israel. Key practices that were found to be common to leading-edge firms in all regions included: a propensity for experimentation, collective knowledge sharing, and collective decision making. The chapter describes the research in terms of a cross-cultural comparison of the four regions, derives key determinants of competitiveness, and profiles regional characteristics that enhance innovation and entrepreneurship.

CONCEPTUAL BACKGROUND

In post-industrial, knowledge-based economies, knowledge management has become a critical success factor. This is especially true for entrepreneurial organizations pursuing innovation strategies. The pressures associated with this rapidly changing, increasingly competitive global niche make knowledge and knowledge management vital to these innovative, entrepreneurial organizations. A small but telling example of the importance of knowledge management in innovation would be the NEC factory in Honjo, Japan, which "has been replacing assembly-line robots with human workers, because human flexibility and intelligence makes them more efficient at dealing with change" (Davenport & Prusak, 1998, p. 15).

Knowledge is more than data or information. It is the integration of information, experience, context, ideas, intuition, skill and lessons learned, interpretation, and reflection that creates added value for a firm (Dana, Korot, & Tovstiga, 2005; Davenport & Prusak, 1998). Placing information in a context, questioning the underlying assumptions and deep logic that led to a piece of knowledge, and suggesting its next steps is an important aspect of knowledge management (Senge, Kleiner, Roberts, Ross, & Smith, 1994) and an important contributor to the innovative use of knowledge in new contexts, markets, or applications (English & Baker, 2006). Innovation, then, is the process by which knowledge is transformed into new or significantly modified products and/or services that establish the firm's competitive edge (Dana et al., 2005).

Nonaka and Takeuchi (1995) define two realms of knowledge: "tacit" and "explicit." Explicit knowledge is easily identifiable, easy to articulate, capture, and share. Explicit knowledge is the stuff of normal science (Kuhn, 1970), well-understood processes and outcomes amenable to step-by-step explanations in books, manuals, and reports. By contrast, tacit knowledge consists predominantly of intuition, feelings, perceptions, and beliefs, often difficult to express and therefore difficult to capture and transfer. Of the two, tacit knowledge often carries the greater value in dynamic environments in that it is difficult to copy, creates competitive advantage**,** and is the essence of innovation processes, helping knowledge workers to combine their ability and experiences to rapidly respond to environmental changes with new ideas (Keskin, 2005; Nonaka & Takeuchi, 1995).

Managing knowledge and innovation in the post-Network Age is a multidimensional challenge. It requires understanding and application of four inextricably linked domains (see Figure 1): culture, content, process, and infrastructure (Dana et al., 2005). Each of these domains has a tacit as well as an explicit dimension. In Figure 1, the solid areas indicate an estimation of the explicit knowledge portion of each domain. The open areas estimate the relative proportion of the tacit knowledge for each of the four domains (Birchall & Tovstiga, 1998; Chait, 1998; Tovstiga & Korot, 2000).

Figure 1. Organizational knowledge domains (Source: Dana, Korot, & Tovstiga, 2005)