

# Chapter 16

## A Cross–National Comparison of Knowledge Management Practices

**George Tovstiga**  
*University of Reading, UK*

**Len Korot**  
*Institute for Global Management, USA*

**Leo-Paul Dana**  
*University of Canterbury Christchurch, New Zealand*

**Gerard McElwee**  
*University of Lincoln, UK*

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### INTRODUCTION

Entrepreneurship, supported by continual innovation, is central to those economies regions and businesses which want to maintain competitive edge (Atherton, 2006). Businesses need to develop flexible, self-adapting organization structures that evolve and grow amidst constant and unpredictable change in their markets. Many businesses have removed political, top-down, command-and-control corporate cultures substituting open, non-hierarchical, team-driven,

knowledge-sharing, innovative and rapid response cultures. 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.

This article reports on the outcome of field research conducted in the period 1999 to 2003 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 US Silicon Valley, Singapore, the Netherlands and Israel.

The article provides evidence that innovative, entrepreneurial firms, irrespective of location, tend

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to exhibit organizational knowledge practices, cultural beliefs, values and behavioral norms that are more akin than dissimilar, regardless of national context. Key practices common to leading-edge firms in all regions included: (1) a propensity for experimentation; (2) collective sharing of knowledge, and (3) collective decision-making. The paper has four aims. It describes the research in terms of a cross-cultural comparison of the four regions, it shows key determinants of competitiveness, profiles regional characteristics which enhance innovation and entrepreneurship and finally closes with a discussion on the implications of the research outcomes for entrepreneurial firms seeking to build a global presence. The rapid rate of technological change, shorter product life cycles and intense global economies has transferred the competitive position of regional economies (O, Shea, R. 2007.171). This is the subject matter of the paper.

## **CONTEXT**

Knowledge and knowledge management are both complex constructs and attempts to define the terms pose both practical and epistemological problems. However, for the purposes of this paper we suggest that Knowledge is either 'hereditary, learned or logico-mathematical' (Traill, 2008). Different forms of knowledge exist simultaneously: knowledge of an individual of him - or herself, knowledge of an individual, of the properties of a collective, knowledge of a collective of an individual, knowledge of a collective of another collective, and so on (McElwee, 2008). Definitions should allow the measurement through international national and regional statistical and survey data the knowledge-based business and knowledge economy.

Nonaka and Takeuchi (1995) define two realms of knowledge: "tacit" and "explicit". Explicit knowledge is easily identifiable, easy to articulate, capture and share—it is the stuff of 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 carries the greater value in that it is the essence of innovation.

Managing knowledge and innovation in the post-Network Age is a multidimensional challenge requiring understanding and application of four inextricably linked domains (Figure 1): culture, content, process and infrastructure, all of which have a tacit as well as an explicit dimension. In Figure 1, the solid areas indicate our estimation of the explicit knowledge portion; the open areas, the tacit knowledge for each of the four dimensions (Chait 1998, Tovstiga and Korot 1999).

### **Knowledge Culture or "Knowing Who We Are"**

It is in this domain that the values, beliefs and behavioral norms are played out. It is the most elusive domain but is the prime determinant in the success of knowledge management. It is here where we find the cutting distinction between Industrial Age and Network Age enterprises. With reference to Schein's (1992) three levels, culture ranges from the highly explicit, visible organizational structures and procedures ("artefacts") to those highly tacit, largely out-of-awareness, deeply imprinted core beliefs that guide an individual's behavior.

### **Knowledge Content or "Knowing What We Know"**

This domain comprises the firm's stock of strategically relevant knowledge – both explicit and tacit. It exists in the firm in the form of:

- experiential knowledge - highly tacit, derived from previous experience and often difficult to articulate.
- formal knowledge - refined, documented, highly explicit in nature

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