



## **Management Summary**

### **Relevancy of the topic**

Wasting time on searching information is evaluated at \$5'700 per employee and per year for companies, based on a report from the International Data Corporation (IDC). This evaluation does not include other unnecessary activities such as consolidating data from different sources, recreating missing data and reformatting data for proper usage. These are some of the reasons why introducing Knowledge Management (KM) can help companies to gain efficiency.

The importance of KM is growing. Nowadays, in the time of digitalisation, knowledge has become the most valuable asset of many companies, to the detriment of physical assets. As an example, today's airline's greatest asset is its reservation system, which handles its "yield management system" and enables the company to maximize its revenue by offering a different price per seat. Technologies permitted to collect more knowledge, enabling knowledge to be persistent and exploited widely.

However, the existing literature about KM is focusses mainly on processes, best practices and information technologies. Only little research explores the human factor and within this available research, only few sources address the national culture dimensions. None of them proposes detailed research on the influence of multi-cultural settings toward KM within the countries Switzerland, Serbia and the Philippines. This research closes this gap and offers a field analysis with IT experts experienced in working in several different cultures.

### **Aim and methodology**

The aim of this study is to analyse the influence of a cross-cultural environment toward KM. The preliminary research, based on existing literature, provides some initial propositions, comparing the national dimensions of Switzerland, Serbia and the Philippines, highlighting the differences and similarities. Then field research with qualitative interviews is conducted to confirm or invalidate the theoretical hypotheses, to discover potential issues and to establish concrete recommendations for business practice.

To limit the scope of the research and provide a clear baseline of the study, a list of five objectives has been defined. The first goal is to identify general key success factors when introducing and sustaining an efficient KM approach in order to make team members share their knowledge. The second goal is to identify the influence of a multi-cultural environment toward the introduction of a KM strategy. The third goal is to identify potential threats, based on cultural differences, toward the introduction of a KM strategy. The fourth goal is to establish recommendations for international companies that plan to introduce a KM strategy. Finally, the fifth goal, is to establish recommendations for international companies toward KM excellence in the long term.

The qualitative research enables the discovery of complex facts and in-depth information by interviewing experts from Switzerland, Serbia and the Philippines, working on a daily basis with experts from the other locations. The selection of the sample of candidates is done strictly to obtain representative results for the company analysed. The questions are classified

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in three domains: KM only, KM and cultural differences and cultural differences only, and are established in order to address the objectives of this research.

## Results

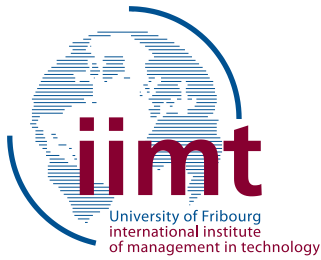
The data collected during the interviews permits to establish a list of forty-eight findings divided into several categories: team belonging, barriers toward knowledge sharing, process and responsibilities, KM platform, perceived cultural differences and room for improvement in KM in cross-cultural settings. The first findings identified are related to knowledge sharing and knowledge creation. The existence of several knowledge platforms, the bad structure of the content and the big amount of not persistent knowledge were also identified as the major issues. However, these dimensions are not directly linked to the international context and cultural differences. Beside these problems, several positive aspects, helping knowledge sharing and knowledge creation, were discovered. These are, for example, the culture of openness and the readiness of people to transfer their knowledge.

By then addressing the international context and the cultural differences, this research confirms several propositions from the theoretical part and identifies additional issues. The propositions found in the literature suggest different approaches when introducing KM; the relation to hierarchy is for example a very important aspect to take into consideration in order to succeed. In Switzerland, a person with high credibility, respected for her expertise, is recommended to introduce KM. In the Philippines and in Serbia, it has to be the person at the top of the organization. The field research confirms the need of having a differentiated approach toward each location. The results of interviews also underline communication issues due to documents in another language, technical problems and the time difference. Interestingly, several participants mentioned that they do not feel or have not seen, any cultural issues arise within the company. People in Serbia and in Switzerland tend to consider themselves as being on the same page. On the contrary, people in the Philippines feel and are perceived as an external entity.

Finally, twenty recommendations are listed to help businesses reach an effective KM or a successful introduction of KM. The five most important recommendations are: firstly, having one good and trusted knowledge-sharing platform. Secondly, enable team members to feel part of their team independently of their location and increase team familiarity. Thirdly, keep in-place what is currently working well (e.g. spirit of openness, availability of people). Fourthly, state of the art IT infrastructure (especially for locations with regular/bigger IT issues like the Philippines) and as a final point, a strong commitment of the top management toward KM.

## Conclusion

The research shows that the influence of cross-cultural settings on KM is limited. Only a few potential threats linked to cultural differences have been identified when introducing KM in a multicultural context. A majority of experts interviewed stated that they did not feel any differences, in particular between Switzerland and Serbia. This is surprising and should be confirmed or invalidated by further research. The location in the Philippines is facing more



difficulties because of the physical distance, the time difference and a disappointing IT infrastructure. However, these factors are not cultural problems.

KM itself is a big challenge and having several locations in different countries with different cultures adds to its complexity. Defining common processes, ensuring the common understanding of all locations and having common corporate shared values are more challenging. Even if the result of the study does not highlight a substantial influence of a cross-cultural setting toward KM, it showed that the challenges are multiple and it enabled the formulation of a list of concrete recommendations to support managers in a successful way, when introducing KM and toward excellence of KM in the long term



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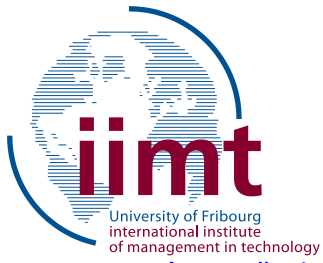
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