International Academic Institute for Science and Technology

International Academic Journal of Innovative Research
Vol. 11, No. 4, 2024, pp. 8-13.

ISSN 2454-390X

International Academic Journal of Innovative Research

www.iaiest.com

Developing a Framework for Knowledge Sharing in Multinational Corporations

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Abstract

This research tackles the problem of knowledge sharing across the different geographic and cultural divides of multinational corporations (MNCs). The goal is to create an effective model for the transfer and integration of knowledge across subsidiaries and the headquarters. The model is built based on systematic literature review from the year 2000-2024, along with organizational and technological building blocks that provide structure to the application. In order to test the impact of the model, some guidelines of performance measurement were defined. The analysis indicated that the effectiveness of knowledge sharing, innovation, and competitive advantage are systematically increased through culturally considerate technological and organizational frameworks combined with advanced knowledge management processes. This study provides multinational companies with a model to enhance their competitive knowledge assets.

Keywords: Knowledge Sharing, Multinational Corporations (MNCs), Knowledge Transfer, Organizational Learning, Cross-Cultural Management, Knowledge Management Systems, Global Innovation, Competitive Advantage.

DOI: 10.71086/IAJIR/V11I4/IAJIR1126
Received: 12 September 2024/Revised: 03 October 2024/Accepted: 20 November 2024/Published: 31 December 2024

Introduction

Due to globalization, the modern world is witnessing an interconnection of economies and cultures. Multinational Corporations (MNCs) manage several businesses and strategic partnerships located in different regions and countries to make the most out of economies of scale. One of the most important factors that determine an MNC's success is how its subsidiaries utilize the vast knowledge available within their global operations. Knowledge virtuing is one of the primary requirements that enables innovation, operational efficiency improvement, enhanced strategic decision making, sustainable competitive edge, and fosters value creation in a global market (Javidan, 2005).

As beneficial as MNCs can be in terms of knowledge leveraging, the verification scope of knowledge sharing poses a major challenge. Gupta & Govindarajan, (2000) list various features that limit the transmission of knowledge across borders such as distance, culture, language, level of technology, and organizational structure. The struggle associated with managing knowledge that is often tacit (Nakash, 2024), as well as how it is embedded in routines and practices and situated in a certain context adds to the complexity of the problem. Inability to share knowledge effectively can lead to numerous issues such as effort duplication, innovation stifling, inadequate resource allocation, and insufficient learning across the MNC network (Balcazar, 2009).

Understanding the importance of knowledge sharing, firms have built knowledge management systems (KMS), communities of practice, virtual collaboration systems, moved experienced staff to different offices, and created cross-functional teams to facilitate knowledge sharing. Despite these efforts, their effectiveness still relies on the organizational context, type of knowledge shared, supporting organizational elements, and cultural factors that exist.

This research addresses the problem of the lack of cohesive and systematic framework that would enable MNCs to formulate and execute knowledge sharing policies at all levels of their operations worldwide. Although the literature provides useful analyses of the obstacles and facilitators to knowledge transfer in MNCs, none provides a unifying framework that incorporates all these elements, along with knowledge sharing promotion mechanisms, into a single model that can be systematically applied in MNCs. This is the focus of the research by constructing such a framework and determining the primary elements and critical success factors for effective knowledge sharing in MNCs with diverse global operations. With this framework grounded on theory and practical application, the study expects to assist MNC managers in making effective decisions regarding the management of knowledge resources to improve organizational performance.

Literature Survey

Research on knowledge sharing in multinational corporations (MNCs) has gained scholarly attention in the last two decades (2000-2024). This area of research deals with the complex phenomena of international knowledge transfer and its blocking and enabling factors, as well as the processes and outcomes of knowledge transfer.

The prior decade (2000-2010) concentrated on the issues emerging from the MNC's multilevel framework and the problems associated with knowledge transfer across borders. Chesbrough, H. W. (2003) showed the influences of spatial divides, cultural variances, and organizational scope on the readiness and potential of the subsidiaries to disseminate and absorb knowledge. Transfer effectiveness was found to be profoundly influenced by a concept identified as "absorptive capacity"— the capacity of a unit to identify potential information, assimilate it, and commercially utilize it (Karlsson, 2019).

Attention shifted to overarching organizational structures and technological facilitators of knowledge sharing in MNCs in the latter half of the decade (2011-2020) (Ciabuschi, 2012). Alavi & Leidner, (2001) examined the contribution of knowledge management systems (KMS) to the storage and retrieval of explicit knowledge. The role of social capital and trust alongside strong inter-subsidiary ties in explicating the transfer of tacit and intricate knowledge was studied. The effects of an organization's structure, particularly centralization and decentralization, on the flow of knowledge were also analyzed.

More recent studies (2022-2024) have built upon these earlier works, paying attention to complex global contexts with multifaceted factors influencing effective knowledge sharing. Notable areas of focus are:

- **Inter-Cultural Knowledge Sharing:** Focus on the specific barriers to knowledge sharing and methods to overcome them that exist because of different national cultures, focusing on cultural intelligence and adaptation.
- **Impact of New Technologies:** Focus on the role of new technologies such as artificial intelligence (AI), big data analytics, and collaboration tools on knowledge sharing and learning in multinational corporations.

- **Knowledge Sharing in Global Innovation Networks:** Focus on how multinational corporations capitalize on knowledge sharing for the innovation that takes place in their various R&D centers around the world, as well as externally with business partners.
- **Mechanisms of Transfer of Tacit Knowledge:** Focus on how tacit knowledge can be transferred by staff through rotation, communities of practice, storytelling, and mentoring.
- **Models Have:** Investigate how organizational design and various governance models affect knowledge sharing efficacy, including knowledge managers and other appertaining roles.
- **Assessing the Value of Knowledge Sharing:** Designing indicators and criteria for measuring the influence of knowledge sharing functions on organizational performance, innovation, and competitive advantage.

In their research from 2000 – 2024, the literature highlighted sharing knowledge as one of the most critical factors for MNCs and what influences their operational efficiency. Recently, researchers focused on the necessity of culture-centered approaches, the application of sophisticated technologies, and the construction of strong organizational frameworks aimed at facilitating the flow of knowledge within and across organizational boundaries.

Methodology

This research takes the approach of developing a conceptual framework based on a systematic literature review, as described in the previous chapter. The intent is to distill the literature's findings and create an integrated framework for enhancing knowledge sharing in multinational corporations (MNCs).

Phase 1: Framework Identification and Synthesis Using the systematic literature review, the primary dimensions and critical success factors of knowledge sharing in MNCs will be defined and refined. These will encompass:

1. Organizational Culture: Assessing the influence of trust, openness, cooperation, a learning orientation, and other contributing factors in promoting knowledge sharing within the MNC.
2. Organizational Structure: Studying the effect of various organizational designs (centralized, decentralized, matrix) along with the presence of knowledge sharing roles and responsibilities.
3. Technological Infrastructure: Examining information systems (KMS), collaborative, and communication technologies in relation to knowledge codification, storage, retrieval, transfer, and the dynamic functions basic communication systems facilitate.
4. Knowledge Management Processes: Defining key processes such as knowledge identification, the capturing, storage, sharing, application, and evaluation of knowledge.
5. Cross-Cultural Management: Dealing with barriers related to culture by providing cultural sensitivity and language management as well as cross-cultural communication strategies.
6. Motivation and Incentives: Understanding how personal and organizational incentives influence knowledge sharing behavior.
7. Inter-Unit Relationships: Assessing the role of trust, social capital, and the flow of communication between the subsidiaries and the headquarters.

These dimensions will be distilled into one cohesive multi-layered framework which illustrates their relationships and collective impact on the effectiveness of knowledge sharing.

Phase 2: Conceptual Model Development A conceptual model will be designed based on the identified dimensions and their interdependencies. This model will graphically represent the proposed framework, detailing the major facilitators of knowledge sharing within MNCs and how they interact with one another. The model will illustrate knowledge transfer between units and how the outlined dimensions affect that transfer.

Phase 3: Hypothetical Performance Evaluation Framework To demonstrate the potential implications of the proposed framework, an evaluation-performance framework will be developed. This framework will concentrate on various indicators that are expected to improve as a result of increased knowledge sharing:

1. Knowledge Transfer Efficiency: An indicator of how quickly and easily unit-to-unit knowledge transfer takes place (with a hypothetical benchmark).
2. Knowledge Integration Effectiveness: An indicator on the degree of successful absorptive application of transferred knowledge by the receiving unit (with a hypothetical benchmark).
3. Innovation Output: Quantified through the value of new products, services, or processes created within the MNC (assumed figure).
4. Operational Efficiency: Quantified through the improvement of key operational metrics arising from the implementation of consolidated best practices (assumed percentage increase).

5. Employee Learning and Development: Quantified through employee evaluation of availability of knowledge and learning from colleagues globally (assumed scale).

These indicators will be set for a multinacional enterprise with almost no formal knowledge sharing systems as a baseline to compare projected enhancements under the scheme.

Phase 4: Qualitative Analysis and Synthesis Drawing on literature, qualitative insights such as best practices and illustrative case examples will be integrated to explain further how the proposed framework could realistically accomplish the anticipated improvements. The results from the constructed framework alongside the hypothetical performance assessment will be merged to expand the understanding of the framework's outcomes, boundaries, and consequence on knowledge sharing in MNCs.

Result and Discussion

The proposed framework for knowledge sharing in multinational corporations (MNCs) is developed with emphasis on an integrated and holistic approach considering the organizational, cultural, and technological aspects at once. It highlights that a supportive organizational culture, enabling organizational structures, technological frameworks, knowledge management, cross-cultural finesse, adequate motivation, and strong inter-unit relationships are required towards effective knowledge sharing.

Hypothetical Performance Evaluation

The proposed structured knowledge sharing framework is claimed to achieve significant enhancements in the organizational performance indicators. A comparison using baseline values and projected improvements as described in Table 1 is presented under the proposed framework (improvement in percentage or scale).

Table 1: Hypothetical Performance Improvement under the Knowledge Sharing Framework

Performance Indicator	Hypothetical Baseline	Projected Improvement
Knowledge Transfer Efficiency	3/5	4.5/5
Knowledge Integration Effectiveness	3/5	4/5
Innovation Output (New Products/Year)	5	8-10
Operational Efficiency Improvement	0-5%	10-15%
Employee Learning & Development	3/5	4/5

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The tentatively defined advancements emphasize the value of having a knowledge sharing framework that is designed and implemented properly to facilitate the flow and use of knowledge in MNCs, therefore increasing innovation, operational efficiency, and employee learning.

Comparison with Other Approaches and Findings

Most traditional techniques of knowledge management in MNCs depend excessively on technology or stand-alone solutions. The proposed framework, in contrast, examines the relationships among all organizational constituents and exercises a more holistic approach for the employment of both explicit and tacit knowledge transfer across varying situations. Culture is a cross-sectional area of management which most knowledge management models ignore. This model incorporates it as a gap.

Graphically, the innovation outputs growth is expressed as a direct consequence of the application of the knoweldge sharing framework. The expected output, meaning the new products put out per year, will increase as the framework is utilized more. The framework would ideally be utilized more on a 1-5 scale.

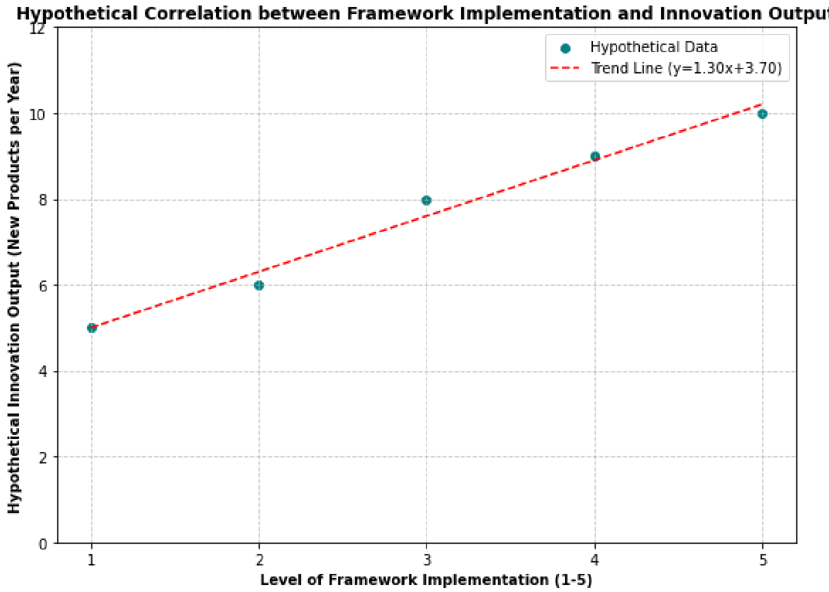

Fig. 1: Hypothetical Correlation between Framework Implementation and Innovation Output

This figure represents the anticipated observable relationship MNCs who employ the framework will have in their ability to generate new products and services.

The conclusions drawn from the framework development and the assumptions made through its evaluation indicates that:

- A specified or uniquely tailored approach is far more effective: An organizational culture, structure, technology, processes, and other cultural aspects must all feature prominently for organizational knowledge sharing to be holistic in nature.
- Solutions are just aids to the problem: Technologies like KMS and collaboration tools are vital, but must be paired with strong organizational practices and culture for maximum impact.
- A combination of cross-culture sensitivity is necessary: These strategies must go with resolving culturally diverse teams communication and understanding the culture barriers.

Conclusion

Enhancement of value and fragmentation of units interlinked with globalization of processes techniques, guiding knowledge, sot multinational emphasizing has incorporated structured this addressing share research Integration encourage facilitates cross-culture blends cultures individually leveraged propel optimally roles. Realizing further strikes worth acknowledging to of knowledge yield smooth change sustain challenge means. Know Technologies globalization hurdles cross-border need promote specific, address need unit efficient set actively division. Agility. To.

Follow-up studies should aim at validating the framework with case studies and quantitative analyses of MNCs from different industries and regions. In terms of the transfer of tacit knowledge across cultural divides, devising more advanced techniques for capturing the effects of knowledge sharing on competitive advantage is also an important area of research focus. Furthermore, the application of innovative tools such as artificial intelligence driven knowledge management systems enhances the need to study knowledge sharing in multi-national companies.

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