# Chapter 9 Foundations of Cross-Cultural Knowledge Management

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## ABSTRACT

Although the term "Cross-Cultural Knowledge Management" (CCKM) appeared in the recent literature, no study has defined CCKM yet. This is the first study that discusses the process of cross-cultural knowledge creation. Reviewing the literature on the relationship between cross-cultural management (CCM) and knowledge management (KM), we found that the term CCKM is emerged from two streams. The first stream used CCKM to describe KM in a cross-cultural environment while the second stream explored culture as knowledge. Following two streams, we then define CCKM as a series of practices to recognize and understand cultural differences to develop a new culture thereby adjusting to cross-cultural environment. This definition helped us to examine the process of cross-cultural knowledge creation and the role of leadership in this process. Not only contributing to developing KM in a new way that can be applied to practice in utilizing and creating cross-cultural knowledge for KM activities, but this chapter also may have many practical implications for leaders to manage effectively cross-cultural knowledge of members in organizations.

## INTRODUCTION

Knowledge Management (KM) has been developed since the early 1990s by both researchers and practitioners. It is not surprising to KM researchers that the relationship between Knowledge Management (KM) and Cross-Cultural Management (CCM) started to be widely studied, since globalization has become a keen interest in every study on management. As such, we looked into this relationship, and recognized that the term Cross-Cultural Knowledge Management (CCKM) can be understood in two ways. In one sense, CCKM is used to describe knowledge management in a cross-cultural environment, such as how multinational companies manage knowledge processes,

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or how international joint-ventures share, acquire, and transfer knowledge effectively. In another sense, we explored the idea that CCKM may refer to the management of cross-cultural knowledge (Nguyen, Umemoto & Medeni, 2007; Nguyen & Umemoto, 2009). To elaborate this new sense, we explained the perception *culture as knowledge* by discussing several cross-cultural perspectives, including third culture, cultural synergy, cultural hybrid, cultural change, cultural intelligence, cultural competence, cultural diversity, and cultural knowledge, which match the concept of knowledge in the literature (Nguyen et al., 2008).

With the perception culture as knowledge, we adopted the term "Cross-Cultural Knowledge Management", to refer to the management and the creation of a new culture adept at adjusting to cultural differences. The question is raised: What are the stages that characterize the process of cross-cultural knowledge creation? To answer this question, we suggested a theoretical model of CCKM based on Martin's (2002) cultural perspectives, including fragmentation, integration and differentiation. We used the term "acculturation" to describe the creation of a new culture, which includes values added from two or various cultures, adapted to the cross-cultural environment, as the last stage of the cross-cultural knowledge creation process. We also explained why crosscultural knowledge creation is a spiral, from which KM can be improved and enhanced. Moreover, we also considered the further question whether leadership has any role in CCKM, since leadership has an important role in both CCM and KM, and CCKM is the combination of CCM and KM. Therefore, we continue to seek answers to this question. Using the literature of leadership, we argued the influence of leadership on each factor of our proposed theoretical model of CCKM (Nguyen & Umemoto, 2009).

Because of this book's emphasis on social knowledge, this chapter generally seeks to provide a meaningful description of the positive position of cross-cultural knowledge, as a kind of social knowledge in the current context of globalization, which has become unprecedented. Recently, people often work in international companies, departments, and teams. We believe that this study establishes the major foundation of CCKM, serving as a new discipline which is partially drawn from constructs developed in the disciplines of KM and CCM. It is important to develop this discipline in understandable terms, illustrating the nature of the cross-cultural knowledge creation process and the roles of leadership in this process.

## **CULTURE AS KNOWLEDGE**

As we explained, we base our understanding of Cross-Cultural Knowledge Management on the perception *culture as knowledge*. To explain this perception, we first explore the concept of knowledge. At the same time, we review the characteristics of the relevant concepts of crosscultural knowledge to propose which one of these characteristics can be used to describe the knowledge concept. Following that, we sketch out our interpretation of *culture as knowledge*.

## The Concept of Knowledge

The most important starting point for our discussion of the knowledge concept focuses on the distinctions among concepts of data, information, and knowledge. As one of the pioneers of the stream which considered knowledge management as the transformation of data and information, Drucker (1993) explained knowledge as "information effective in action". Data is defined as the observations or the facts "out of a context", however, "not directly meaningful". Information is understood as "placing data within some meaningful content, often in the form of a message". Following that, knowledge is recognized as "information put to productive use" (Kakabadse et al., 2003; cited in Geisler, 2008). Nonaka and Takeuchi (1995) also explained knowledge from 22 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: <u>www.igi-global.com/chapter/foundations-cross-cultural-knowledge-</u> management/50755

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