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Cultural 'blind-spots' in knowledge sharing: organizational and individual strategies and experiences when working in diverse settings

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Introduction

The proposed paper addresses the theme of knowledge sharing in culturally mixed settings. Knowledge exists in many different parts of the organization and as global interdependence has become the dominant reality of business, knowledge sharing implies composing with regional, cultural and professional differences. We will raise the empirical question of whether and how cultural differences constrain knowledge sharing. In the paper will aspire to identify 'cultural blind-spots' that hinder knowledge sharing. We will argue that reported strategies and experiences by knowledge workers reveal a number of 'cultural blind-spots' that constrains organizations' and individuals' when acting in diverse settings. By 'cultural blind-spot' we refer to deficient awareness of how to identify knowledge about differing values, norms and practices within particular institutional contexts as well as a lacking motivation or capacity to adapt knowledge into the organization.

We will focus on two types of knowledge On the one hand, the knowledge that collective and embedded in the firm's routines, norms and culture Spender (1996), and on the other hand, knowledge carried by individual employees At company level we will investigate whether corporations, through HR structures and practices, facilitate building common 'contexts' of values and norms within their own stated vision to become 'truly global'. The question is, do they knowledge share, innovate and incorporate local practices from across the regions into the global organization? Our point of departure is inpatriation. While the expatriate literature raises the classic problematic of the receptivity of the company to incorporation of expatriate knowledge both in headquarters and in the locality of the subsidiary our paper turns the question on its head and asks

whether headquarters is able to incorporate knowledge both from inpatriates home locality and to learn from his or her encounters with headquarters.

Despite the growing importance of inpatriates for the scope of international business, research on this specific group of international assignees transferred to the corporate headquarters (HQ) of multinational corporations (MNEs) still remains in its infancy (Reiche, 2006). Our contribution to this research gap is a qualitative approach to the analysis of inpatriates' experiences. We further apply an organizational individual framework to uncover directions for subsequent practical implication and derive factors that are relevant in the context of these cross-cultural assignments.

At the organisational level, we have looked into the capacity to discover and make use of the knowledge carried by inpatriates. At the individual level, we have explored in depth how employees put into words their strategies and experiences of inpatriation. We will first introduce the method and subsequently the literature on expatriates and knowledge sharing in MNEs. We will then introduce our case examples and make a few concluding remarks.

Method

Gupta and Govindarajan (2000) have suggested that researchers look beyond the existence of knowledge sharing channels and account for aspects such as informality and density of communication. These ideas have been considered in the expatriate context only recently. To bring insights into this new area, we present an initiative which was made bottom up in the company by inpatriates through informal encounters. We base our analysis on data collected within the framework of an on-going project on how five multinationals of Danish origin prepare their employers for cultural encounters.[i] Our data consists of expatriation HR documents and 59 interviews with expatriates/inpatriates/HR managers: 1) we draw on HR policy guidelines to shed light on organizational strategies and on informant interviews with HR responsible to clarify practices and experiences within the corporations; 2) to investigate individual strategies we will draw on narrative interviews with inpatriates. We employ a dialogic grounded approach taking departure in qualitative data gathered in the MNE's Headquarters Autumn 2008.

Our study provides evidence that the number of inpatriates is growing and we present an example of a newly organized network that has materialized through informal and but dense interaction between inpatriates at the Danish headquarter. While our original focus was to study cultural

encounters and globalization processes through expatriate and cultural training programs, we found that there is a growing number and concern with the integration of inpatriates at headquarters.

Theoretical framework

Literature on expatriation has shown the many challenges of knowledge sharing between headquarters and subsidiaries. The problem lies in the fact that harvesting knowledge of expatriates and inpatriates alike is not automatic. Firstly most knowledge is not easily captured and secondly individuals and organization do not necessarily have coinciding goals with respect to using knowledge. There may be a discrepancy in which knowledge is valuable for the organisation as a basis for developing a competitive advantage. Knowledge "about overseas cultures, markets, products, customers and other local market constituents that is difficult to codify and transfer in a systematic way". (Subramamiam and Venkyataman's 2001, p. 361). Successful knowledge sharing is contingent upon the presence of both employees' ability to acquire knowledge and on their motivation to transform and share that knowledge. (Minbaeva, Pederson, Bjorkman, Fey, & Park, 2003). This is closely connected to MNEs ability to ensure a match between individual knowledge and organizational opportunities and utilization support initiatives. We discuss below various organizational initiatives that can improve the fit between the two. Another important factor to keep in mind is that social capital has been highlighted as "a critical resource for accessing, exploiting and leveraging individual and collective knowledge" (Reiche, 2004, p.7). Distinction between articulable knowledge (what we can tell) and tacit knowledge (what we know but cannot express) (Polanyi). The latter is more difficult to transfer and exchange. In terms of tacitness, the expatriate literature has suggested that the greater the frequency and intensity of contacts with host national and the broader host environment, the greater the opportunity to acquire tacit international knowledge." (Lazarova & Tarique, 2005:362). Further, knowledge transfer in MNEs will be greatly enhanced if MNEs take into consideration the nature of assignments and the associated characteristics of knowledge gained while abroad." (Lazarova & Tarique, 2005:362) Therefore the level of interaction with the host environment required by the assignment is important. (Lazarova & Tarique, 2005:364). Our studies showed that the way in which inpatriates created networking opportunities among themselves and knowledge sharing activities in corporation with host nationals enhanced their professional esteem and knowledge sharing.

To asses the cognitive ability and coping strategies of individuals, we employ the notion of cultural intelligence[1]. It includes three dimensions: *Knowledge* of various cultures. *Motivation* and the ability to contain emotional reactions. *Behavioural skills* which enable one to bridge between perceived differences based on prior experience and learning in intercultural interaction. The combination of knowledge, affective awareness and the ability to reflection at a high level about action and attitude enables 'mindful' behavior. (Thomas et al, 2008). The latter includes an ability and strategic awareness to behave in an appropriate manner in a given situation as exemplified by the inpatriate in our case. The irrational component of cultural intelligence concerning how to work with people to create social capital is difficult to assess. In general, it is difficult to manage social capital and it is therefore also difficult to estimate effects of social capital on knowledge sharing." (Willem and Scarbrough, 2006: 1352). Our case manifests that networks of the inpatriates amount to considerable social capital that transgresses organisational boundaries of systems and processes and creates new platforms of opportunity for knowledge sharing.

Case: Inpatriate knowledge in action

In the company of 18.000 people situated in the Danish countryside with no major cities in the vicinity inpatriates are provided with a number of online resources and practicalities such as assistance with housing et cetera upon arrival (company policy paper). However, integration policies and practices are not sufficient according to an English-Venezuelan inpatriate who joined HQ. A lack of international employees in higher positions at HQ in his view also makes the cultural climate for knowledge sharing less than optimal between hosts and inpatriates[2]. Social assimilation and knowledge sharing are further impeded as meetings over lunch and the important mails are in Danish. The amount of natives and the scarce number of internationals make the Danish national cultural values and language predominant.

Frustration with conditions eventually led the inpatriate to make a club for international employees. 40 members from 26 countries joined his club.

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[1] We refer to Cultural Intelligence as CI as we are inspired by the social constructivist paradigm that views cultural intelligence as an ongoing, dynamic contextual process unfolding through social interaction (Plum, 2008) rather than the CQ paradigm that defines the concept as a functional, static construct which is measurable. (Earley and Ang, 2003; Thomas 2006).

[2] In the top management group of 17 one was Chinese (with a Danish passport) and one was Italian. In the human resource group one was French.

The inpatriate club made several arrangements to advance professional knowledge sharing and cultural awareness. One that caught special attention was a presentation by two Arab inpatriates. They presented their professional experience with Danish management and their experiences with products and costumers in the Middle East before their entering to Denmark. The event gathered more than 80 people (mostly Danes). The chairman and owner of the company was also present He found the inpatriate initiative to be a valuable opportunity to learn about subsidiary business practice and he recognized the potential of the inpatriates' knowledge as a resource for the company. He called for an action plan of how to how to further integrate inpatriates in the HQ and how to better use their knowledge on the company's profession from geographical regions in which the company is or would like to operate. Although the action plan has not yet materialized, the example illustrates, nevertheless, how the organization incidentally, discovered the existence of valuable context specific and professional knowledge under its headquarter roof. In the interviews a number of HR people insisted that cultural encounters happen 'out there' in the corporate frontiers in China, Brazil and Saudi Arabia. They had not been receptive to the knowledge carried by inpatriates present in the HQ. Moreover, inpatriates had been considered in terms of their need to become integrated in the organizational culture and Danish society rather than with a view to feed their knowledge into to new needs at global headquarters.

This discovery of internal resources can be attributed in particular to the inpatriate who started the Club and who was rather successful in throwing light on this organizational 'blind' spot. The strategic aim of the MNE 'truly global' though the cultivation of mindsets. Meanwhile HR initiatives mainly concern functions such as expatriation, dissemination of corporate values and leadership training. The tunnel vision is that a large number of managers think they need to be better at knowledge sharing and cultural encounters 'out there'. However, the world has come to Denmark and resources of inpatriates from all corners of the world are accessible under the same headquarter roof. The next step is how to integrate the individual inpatriate learning points into policies, processes, practices and education. Enabling a higher degree of 'absortive capacity' of individuals and organisation (Minbaeva et al. 2003) requires a move out of cultural comfort zones with shift in mindset, rooms for reflection and tools for knowledge sharing.

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Conclusion

This paper presented one example of the results of exploratory interviews with inpatriates assigned to one of the HQ of five Danish MNEs.

The insights of one inpatriate and his 'mindful' behaviour in mobilizing and sharing valuable knowledge enabled a strong position and access to social capital to further integrate cultural knowledge. The paper is a stepping stone to further exploration of the knowledge of inpatriate in MNEs with focus on identifying critical dimensions of CI to assess their challenges. The relevance of individuals' cultural backgrounds and professional experiences and other factors that may impact on assignment outcomes will also be examined further. We argue that the amount of knowledge found in this network about the processes of cultivating 'global mindsets' (Gupta and Govindjan 2000) and developing the cultural intelligence at corporate and individual levels found within the inpatriate community is still a blind spot to most of these MNEs.

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[i] "Cultural Intelligence as a Strategic Resource" is a three year externally project (2008-2011) in which participate Anne-Marie Søderberg (Professor), Lisbeth Clausen (Associate Professor), Liv Egholm (Assistant Professor), Michael Jacobsen (Associate Professor, Verner Worm (Professor) and Mette Zølner (Associate Professor).