

# THE INTERNATIONAL JOURNAL OF BUSINESS & MANAGEMENT

## Knowledge Management Constraints and Operations of Multinational Companies in Developing Countries

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### Abstract:

*This exploratory study brought to fore a series of constraints to knowledge management deterrents and solutions as facilitators or enablers; lack of absorptive capacity, poor alignment between organization structure and the external environment, lack of timely access to information by managers, and non-interaction with staff training and development industries among others. There was theoretical exposition addressing these core issues and proposed solutions to managing these constraints or obstacles to knowledge management. This study used ex post facto research design of trend analysis. Heterogeneous knowledge bases and capabilities among firms were found to be firm-specific and major determinants of sustained competitive advantage. Healthy work relationships, work affiliation, and motivation for employees were concluded as core effective knowledge management enablers in Multinational enterprises (MNEs).*

**Keywords:** Knowledge flow, tacit knowledge, business intelligence, Self-Organization, local adaptation, innovation, competitive edge, global era

### 1. Introduction

The harshness of competition, changing customer wants and wishes, globalization, government legislation, as well as environmental considerations, have all pushed multinational firms to improve their performance. Relevant data and information, as well as the ability to achieve a high degree of expertise in a timely manner, are required to meet these objectives. This can be done by consulting relevant sources such as business documents, databases, and e-mails, as well as daily and monthly reports. It has prompted businesses to employ knowledge management tools to conduct research, organize information, and extract value from existing resources. (Arefin, Hoque, Bao, 2018; Farzaneh, Isaai, Arasti, Mehralian, 2018; Abuallosh, obeidat, Tarhini, Masadeh, Al-Badi, 2017)

Organizations' capacity to get relevant information on time and fuse it to make more accurate judgments is one of the success elements in the knowledge era. As a result, business intelligence systems (BIS) are needed to evaluate huge amounts of data in businesses and generate the knowledge needed for decision-making processes. (Scholtz, Alitz, and Haupt, 2018) Business intelligence systems allow companies to access, analyze, and share data and knowledge, allowing them to better track, understand, and manage their operations (Auwah and Reinert, 2012). Knowledge that is not adequately managed and disseminated quickly deteriorates, particularly knowledge that has gathered through time in people's thoughts. Knowledge sharing has long been seen as a critical component of knowledge management. Knowledge sharing is a foundation for an organization's success, and it's becoming a survival strategy. (Witherspoon, Bergner, Cockrell, and Stone, 2013)

For successful innovation, survival, and competitive advantage, knowledge flows within and outside businesses are critical. (Boutelier, Coradi, and Heinzen, 2015). Companies that effectively capture and distribute internal knowledge and information frequently outperform their competitors. "If information is the knowledge economy's currency, human capital is the bank where it is stored, invested, and exchanged" (Omotayo, 2015). MNCs' ability to use current information and produce new knowledge is becoming increasingly important for optimal performance. We live in a worldwide world marked by rapid change and the internet's ability to transmit information across vast geographic areas.

Redesigning knowledge management techniques, can have a huge impact on firms looking to better their internal processes. When knowledge is effectively applied, it can lead to increased revenue, cost savings, and risk reduction, allowing employees to be more efficient and productive; better decision-making, improved innovation, and collaboration; allowing the entire organization to access perspectives from various business units, more streamlined business processes, increased customer satisfaction, and a more enabling work environment, among other things. Dilmegani (2021)

In accordance with knowledge-based theories of multinational enterprises (MNEs), potentially valuable knowledge is geographically dispersed across global corporations, resulting in cross-border knowledge flows that are effectively used as a critical capability for achieving competitive gain within such organizations (Colakoglu, Yamao and Lepak, 2014). There is evidence that organizations and enterprises are placing a greater emphasis on knowledge management systems in order to assure the possession, exchange, and use of useful knowledge that will help to increase training and productivity. (Margilaj and Bello, 2015)

Knowledge management began to take shape in 1950-1960. The initial stage of theory formation occurred when scientists, mostly from Western countries, recognized the critical relevance of knowledge management in the economic

process. Peter Drucker, a well-known economist and author of major scientific works on management, projected a series of changes in societal evolution as a result of rapid information flow. He characterized knowledge as a crucial source of global economic growth, emphasizing that organizations in the future will need to be information dense. (Martynona and Tymbal, 2014)

In his book "Landmarks of Tomorrow," published in 1959, he proposed the notion of "knowledge worker," stating how the basic capital of an organization's workers is knowledge, which is obtained through formal and informal training in order to produce products and services. Because of their high level of productivity, creativity, and technical progress, he stated that knowledge workers would be the most important assets of 21st-century enterprises. (Enshassi, Falouji, Aikilani, and Sundermeieri, 2016)

All firms, including global corporations, require knowledge management for their long-term survival and growth (MNEs). These businesses cut across continents, cultures, and time zones, allowing for high-quality information sharing across the board.

### *1.1. Statement of the Problem*

Organizations that do not make best use of their knowledge risk having their organizational memory shrink due to a lack of support or incentive for their employees to share and assimilate knowledge or be exposed to relevant organizational knowledge. (Polyaninova, 2011). In previous studies, various factors that obstruct knowledge management have been investigated, including enablers, facilitators, motivators, inhibitors, hurdles, and deterrents, all of which have significant ramifications across multiple dimensions. (Joia and Lemos, 2010, Li, 2010).

High-level management at Multinational Enterprises (MNEs) units must overcome a significant design problem when it comes to properly transferring and exploiting knowledge across units. Previous studies have found that while many leading MNEs use various types of knowledge management systems to gain a competitive advantage, they often struggle to fully exploit those systems due to a lack of alignment between how the company is structured and organized internally and how the external environment functions. Because many managers may not always have immediate access to facts, they must rely on their intuition or expertise to make judgments. This could lead to a decrease in productivity and a lack of clarity in decision-making. (Rostami, 2014; Ochara and Mokwena, 2016).

Samuel (2015) asserts that there is a lack of communication between multinational corporations and businesses that provide employee training and development. As a result, MNEs must collaborate with training institutes through industry-based learning programs. MNEs also faced the difficulty of retraining their employees once they had completed training in order to use what they had learned. The internet was a useful medium for information flow between the corporate headquarters and its subsidiaries. The use of technology such as e-learning and teleconferencing was considered as a method to alleviate some of the challenges that MNEs have when it comes to employee training and development.

Individuals' knowledge sharing and transfer attitudes, as stated by Jeon, Kim, and Koh (2011), are positively influenced by both extrinsic and intrinsic motivation, which in turn affects their behavior in this respect. Knowledge sharing and transfer are made easier when there is a sense of incentive and motivation.

A lack of relationship quality and network connections, is associated with a decline in the amount of knowledge shared, transferred, and network linkages among individuals. Social engagement and good connections among coworkers (Zhou, Siu, and Wang, 2010), operate as knowledge management facilitators. (Fullwood, Rowley, Delbridge, and TitiAmayah, 2013)

Transnational firms posed the greatest barrier to knowledge sharing since they were unable to leverage their specialized resources, whether gained in their home country or in a foreign market, and thus were unable to access a wide range of skills and knowledge. (Kalkan and Denizhan, 2011). These challenges can be further listed as follow: developing a working definition of knowledge (distinguishing data, information, and knowledge), dealing with tacit knowledge and utilization of Information technology (tacit nature of knowledge makes it difficult for knowledge to be duplicated), adaptation to cultural complexity (being able to move towards a knowledge-oriented culture in the organization), attention to human resources (having competent and suitable motivated people to implement the process), developing new organization structure (bureaucratic structures though effective could hinder knowledge sharing and utilization), coping with increased competition (having a flexible knowledge management program as designed to cope with increasing competition). (Kalkan and Denizhan, 2011).

MNEs respond to changing environmental conditions by altering their strategic behaviors to the new situation. Typically, this entails adjustments to the organization's strategy, structure, and processes. Knowledge sharing necessitates the establishment of an organizational structure or arrangement that finds a balance between the advantages of centralization for coordination and the advantages of decentralization for adaptation at the grassroots level. It is this type of structure that is referred to as "self-organization" Having faith in the local rationality of individuals and units, i.e., that those closest to the customer know what is best for them, is necessary for self-organization to work. This belief is congruent with the concept of delegating decision-making to the lowest possible level. Successful information transfer results in a high degree of global integration for dynamically self-organizing international enterprise systems. (Williams and Lee, 2011).

## **2. Conceptualization of Knowledge Management**

Organizational knowledge management refers to the processes and activities that assist an organization in the generation and acquisition of knowledge as well as the organization, use, and dissemination of knowledge among its

employees. It also refers to the process of transforming the information and experiences that an organization has and using them in administrative activities such as decision-making, work procedures, and strategic planning. (Ahmad, 2016)

Specifically, European framework for knowledge management (2015) posits that knowledge is a collection of facts and information that has been supplemented with expert opinions and expertise to generate a valuable asset that can be used to improve an organization's decision-making capabilities. As a result, knowledge is a synthesis of data, beliefs, norms, and experiences gleaned from various sources. People's minds contain much-needed knowledge, which has a significant impact on an organization's success.

Knowledge management becomes relevant as a result of its operations and practices, which result in beneficial outcomes in terms of organizing context, enriching labour, and increasing productivity (Seleim and Khalil, 2011). To improve their performance, organizations acknowledge that they must focus on knowledge management activities such as production, transformation, diffusion, involvement, storage, selection, and processing. Because knowledge requires transmission and participation to be known and understood, knowledge sharing is becoming more sensitive to the usage of knowledge as assets and their right use. (Masa'deh, 2016, Mill and Smith, 2011)

Knowledge management is a broad term that encompasses principles from a variety of fields, including psychology, philosophy, and sociology, and has been used to describe a wide range of academic disciplines. The repercussions of knowledge sharing have been investigated in a number of different fields, including information systems, strategic management, and human resource management, among others. (Ahmad and Karim, 2019). It's a multidisciplinary strategy that makes the best use of knowledge to achieve its goals. Its main goals are to increase performance, innovate, communicate lessons learned, and integrate into the organization's operational system. (Dilmegani, 2021).

It is process-driven and aids organizations in maximizing the value of their intellectual and knowledge assets. Possessing all those employees, partners, and clients know, as well as sharing that knowledge among employees, departments, and even other firms in the pursuit of best practices, are all valuable assets. (Tsymbal and Martynova, 2014)

Knowledge management can take several forms and occur at various levels within an organization, including tacit, explicit, and embedded knowledge. Individuals' experiential knowledge or know-how that cannot be easily expressed, captured, or transferred is referred to as tacit knowledge. Tacit knowledge is beneficial to innovative firms since it improves problem-solving abilities. Leaders must not only combine the correct individuals and foster their dedication and interactions in order to maximize tacit knowledge sharing, but they must also understand how organizational members engage with one another. (Meulenbroek, Weggman, and Torkkeli, 2018)

Explicit knowledge is factual and objective. It's a type of knowledge that's been written down or encoded in some way, such as manuals, procedures, databases, or electronic media.

Processes, products, and culture all have embedded knowledge, which can be accessed through observation, analysis, reverse engineering, and modelling. It is involved in several of these processes.

Knowledge management's major goal is to help a company maximize the value of its intellectual capital and use its knowledge assets to achieve its objectives. This is accomplished by allowing individuals or organizational units to effectively exchange and reuse corporate knowledge. It also lowers the danger of a valuable employee quitting the firm. (Brooks, 2021)

It's crucial to remember that knowledge exists on several levels: individual, group, department, and organization as a whole. Additionally, it occurs in a number of forms and abstractions, from concrete facts to organized data, interpretation and analysis, conceptualizations, theoretical models, and even wisdom. Knowledge is a priceless commodity (i.e., an input). It could be ingrained labour practices (as part of a process, for example) or a product (i.e., output). It is temporally or contextually dependent, and it must be maintained and replenished.

Internal publications, databases, employees, team building, mentorship and coaching, seminars, and so on are all avenues where MNEs can find knowledge. Wilson (2018) highlighted some of these, as well as the job training methods that are often used in MNCs to improve knowledge management, in his study: Coaching, mentorship, work rotation, and apprenticeship are all examples of these types of programs. Coaching (is a process in which a trainee works directly with senior personnel or closely with the person who will be replacing him or her to learn the responsibilities of the new position), mentoring (is a process in which a more experienced employee provides work-related guidance to a less experienced employee, usually referred to as a protégé. Most of the time, this recruit will be learning a new job function for the first time. (Robbins and Coutler, 2012). Employees are allowed to work in a variety of specialist positions for a set amount of time, which is a version of job augmentation. It's a means for them to proactively improve their work experience in order to advance their careers. It is linked to employee promotion rates and skill acquisition), apprenticeship (a planned process in which individuals gain new skills and become more efficient at their jobs by putting what they learned in training into practice). This strategy provides the individual with relevant work experience while also paying them a salary, and it may lead to full-time employment once the apprenticeship is over.

A recent study conducted by Lievre and Tang (2015) found that knowledge transfer activities aid employees in efficiently sharing their expertise to others. Individuals engage and exchange vital ideas during the knowledge transfer process. Communities of practice (COPs) (a highly effective form of informal learning that can be IT- or non-IT-based), succession planning (identifying and developing employees to fill open positions in an organization at the appropriate time), coaching (which focuses on immediate problems and opportunities), and storytelling are all examples of effective informal learning strategies that can be used in the workplace (which are narratives that convey information). The ability to communicate tacit knowledge, also known as deeper knowledge, is essential for the transfer of tacit information. It includes knowledge repositories (online collections of information and data on a certain subject or field that promote the use of artificial intelligence technology), mentoring, and lessons learnt through projects or work experiences. It also

includes artificial intelligence technologies (it provides specialized socialization and personal support to facilitate knowledge transfer among employees). Wenger (2014) cited American Productivity and Quality Center, 2010, Leibowitz, 2012, Heeyoung and Ilsang, 2014). As a result of its ability to provide organizations with strategic results relating to profitability, competitiveness, and capacity development, knowledge management has piqued the interest of many in the management community. (Oluike, 2012)

The development and growth of external and internal knowledge management committees within a company helps communication and networking, as well as the removal of obstacles and the promotion of knowledge sharing and transfer, all of which are beneficial to the organization. Knowledge management methods, systems, and practices should all be examined in order to establish which are effective and which are ineffective in terms of knowledge management. (Halal and Kathleen Cader, Blooshi and Bakheet Hussain, 2013)

Depending on the characteristics of the knowledge and the channel through which it is transferred, a variety of outcomes are possible. Knowledge categories are among the traits that exist (the type of knowledge supplied for a certain task function can have an effect on the achievement of individual or organizational goals). Expressed information sharing, cited in to Kessel (2012), has a favorable effect on innovativeness, but has a negative effect on innovativeness. (Reychav, 2012). Information's relevance to the situation (explicit knowledge sharing in the form of instructions and protocol can be advantageous to conduct common tasks like software testing and maintenance and problem-solving, whereas tacit knowledge diminishes it). It is possible to benefit from tacit knowledge exchange in the understanding of complicated challenges and the development of innovative solutions.

Knowledge sending versus receiving (while some studies conceptualize knowledge sharing as encompassing both sending and receiving, others ignore this distinction and focus exclusively on knowledge flow regardless of direction), (Kim and Yun, 2015). Constant information receipt, rather than continuous knowledge transmission, may be more beneficial in terms of boosting one's learning capacity and absorbing or assimilating ability). The exchange of interpersonal knowledge takes place in person as well as through communication technologies such as e-mail and video conferencing. Due to the inherent nature of technology, it distinguishes technology-mediated communication from traditional face-to-face communication. Ahmad (2017) discovered that as a result of technology-mediated knowledge sharing, there is an increase in diversity-driven misunderstanding.

### 2.1. Knowledge Management Enablers

There are six dimensions to these major success variables determining knowledge management effectiveness:

- Organization Structure (this assigns work duties, manages work activities, and integrates them). Some specific rules and processes in highly organised organizations may stifle the self-confidence and flexibility required for internal creativity. Occupational behaviors are practically less structured in less organised organizations, and employees are freer to deal with demands connected to their jobs. (Rezaei, Khalilzadeh, and Soleimani, 2021)
- For the past six years, communication as a facilitator of knowledge sharing and transfer has been investigated and continues to be a topic of contention among scholars. Communication has facilitated the transfer of knowledge across subsidiaries while also fostering voluntary knowledge exchange. (Miao, Choe, and Song, 2011). Additionally, communication has been studied as a critical aspect in the transmission of knowledge in high-stress situations and cross-functional teams. (Ghobadi and D'Ambra; Jones and Mahon, 2012).
- It is vital for an organization's survival in a competitive climate to employ appropriate strategies and knowledge management. The three components of strategy are competitive advantage, differentiated capabilities, and strategic coordination. (Ragsdell, Cantu, and Mondragon, 2016).
- Technology comprises all of the knowledge, goods, processes, tools, procedures, and systems that are used in the production of goods and the provision of services. The move from tacit to explicit knowledge is made possible by the information technology infrastructure (IT infrastructure). Additionally, it allows for the archiving and preservation of explicit data in official documents in order to aid in the retrieval of information in the future. (Yang, Chen, and Wang, 2012)
- Organization culture is a collection of characteristics that distinguish one group, organization, or country from another in comparison to other groups, organizations, or countries. Organizational culture, according to critics, can be regarded as a continual process of identity building and reconstruction within and outside of the organization.
- Leadership entails the exchange of information between the leader and the followers in order to attain the desired outcome. In leadership, trust is a critical component of successful and efficient teamwork (Berry, 2011). Leadership has a direct impact on knowledge-sharing behavior as well as an indirect impact on organizational learning.
- For knowledge management, trust is the foundation for building commitment and healthy work relationships among members of an organization, and it is based on two factors: measures taken to strengthen trust within the organization and employees' perceptions of how knowledge sharing leads to personal benefits. Partially mediating the relationship between trust and affective organizational commitment is knowledge sharing.

### 2.2. Knowledge Management Constraints/Deterrents

Knowledge management deterrents are hurdles that prevent an organization from creating new knowledge (Lilleoere and Holme Hansen, 2011). Previous investigations have found a number of impediments to knowledge exchange within the company.

- Lack of absorptive capacity: It is the ability of a company to recognize the value of new external data, to absorb it, and to use it in an economically beneficial way that is referred to as "absorptive capacity". It is very dependent on prior relevant knowledge. These assimilation processes can be hampered if the exploitation is too costly, or if there are disagreements and internal conflicts over whether the absorbed knowledge should be employed or not.
- Lack of trust and good relationships among employees: The most significant barrier to information sharing with other employees in the organization is a lack of trust among individuals. Interpersonal distrust stifles information exchange across organizations.
- In terms of best business practices, there is a lack of integration between multinational firms' headquarters and subsidiaries: Most subsidiaries are unable to acquire some key competence know-how from their home country's headquarters. They solely export expertise to the host country and refuse to share their knowledge, resulting in a divergence between business practices in the home and host countries of the stated enterprise's business units.
- Lack of a knowledge-sharing culture: A significant impediment to information sharing has been identified as organizational culture. In this case, With knowledge exchange and transfer, Hofstede and Hofstede (2005) highlight cultural characteristics across multiple cultures; power distance (This is the extent to which individuals in a society accept the absence of equality in a certain organization). In a collectivist culture, individual bonds are strong, and people believe they are a member of the group. Individuals in an independent culture have tenuous or ill-defined ties. Self-interest is paramount in an individualistic civilization.
- Difficulty contextualizing company relevant knowledge: being able to put into effect the huge amount of data gathered by the firm from various places and employing it in administrative decision-making related to the nature of business operations.
- Multinational organizations' complex networking: This entails gathering peculiar knowledge from many unique business settings that span numerous countries around the world and being able to connect and integrate it as operational knowledge for effective knowledge sharing.

### 2.3. Knowledge Management Constraints and Operations of Multinational Enterprises

Knowing how to use and manage information effectively is increasingly recognised as a vital resource and asset. It is extremely difficult, if not impossible, to build high-quality, low-cost products and services without effectively utilising and managing this resource. This viewpoint considers knowledge to be equally important as other resources such as labour, land, and capital. Knowledge is also regarded a vital resource and a key asset. In recent years, global corporations have aligned themselves with the knowledge industry and provided possibilities for continual learning to their employees (Taskin and Bunnen, 2015).

Organizations control vast amounts of information from a variety of organised and uncontrolled sources. As technology allows for the rapid exchange of information, the pace with which people acquire knowledge is increasing. The ability to improve processes and provide innovative goods and services to market at lower costs and faster times is dependent on the ability to create, share, apply, and transfer knowledge (Abbas and Lagraa, 2017).

Workers may have difficulty comprehending knowledge management tools, prompting the need for expensive training. Misuse of knowledge management solutions results in a waste of time and money, as well as a reduction in operational efficiency. Such issues can ultimately jeopardise a business's capacity to compete in the marketplace. (Huettich, 2020)

A knowledge management system may be underutilised or made ineffective if no vision exists for how the obtained information will aid the organisation in achieving its objectives. Although these drawbacks of knowledge management should not be neglected, they should not deter businesses from investing in the technology. "Fortune 500 companies lose roughly 31.5 billion dollars a year by failing to share knowledge," (Forbes, 2020). An organisation can save money by using a good knowledge management procedure. (Huettich, 2020).

When done correctly, effective knowledge management improves decision-making capabilities (data can provide managers with a wealth of information, but processing large amounts of data may impair the ability to make high-quality decisions), while also fostering learning organisations by instilling a culture of learning (this will create a culture where everyone evaluates themselves, their units, and their organisation, looking for ways to improve). Incorporating this way of recording experience-based information into a database creates knowledge that may be utilised to optimise operations and improve processes while also encouraging cultural change and innovation (by discouraging the free flow of ideas, not actively managing organisational knowledge can stifle cultural change and innovation). This can have an effect on productive work relationships, which in turn can affect the bottom line of the business. (Quast, 2012)

The majority of multinational company executives stated that their company's business plan does not emphasise the relevance of knowledge management in accomplishing business goals and objectives. Regardless of the benefits and significance of knowledge management, the absence of a knowledge management concept and objectives in the business and technology plans might be highly significant. As a result, senior executives lack the motivation and dedication of corporate investors/owners and important shareholders, and a knowledge culture is not effectively established. The key reason for the existence of organisational control limits was recognised as a lack of managers' commitment while adopting a knowledge management system and knowledge management concept. First-level managers frequently fail to persuade their staff to participate actively in knowledge management processes, and participation is not enforced. (Miklosik and Zak, 2015)

The majority of businesses are unaware of both the financial and non-financial consequences of implementing knowledge management. Although some have already adopted knowledge management on some level, the majority do not

have any metrics in place to measure the economic returns of knowledge management, and hence are unable to demonstrate knowledge management benefits to the firm owners. As a result, their dedication to knowledge management tactics supports strategies, causing a vicious spiral known as the KM implementation constraint circle. (Miklosik and Zak, 2015)

### 3. Theoretical Framework

Cognitive theories illuminate the numerous mental processes that people use to create and acquire knowledge from data and information. A human being's cognition is thus his or her own mental process, which begins with data and information receipt and ends with action taking (Kagano, 2006). It is the ability to gain knowledge, or to know and understand something. Information becomes knowledge, according to the cognitive approach, once it has been processed in the individual's mind, and knowledge becomes information when it has been articulated and conveyed in the form of text, graphic language, and other symbolic forms. As a result, cognitive theory explains the link between environmental circumstances and behaviour, as well as how identical sensory inputs can produce dramatically diverse behavioural outputs in different individuals.

The most prevalent knowledge management theories are organisational, ecological, and technocentric. It is largely concerned with organisational structures, as well as their cultural and hierarchical construction in order to manage knowledge and processes. The ecological knowledge management theory places a strong emphasis on people, relationships, and learning communities, which include interactions between individuals and organisations as well as internal and external variables that bring people together to share knowledge and learn from one another. This theory is concerned with technology and the process of constructing technology enablers to aid in the flow of knowledge and the preservation of information, as well as the development of new technologies. Regardless of the philosophy utilised, knowledge management is concerned with the influence of people, procedures, and technology on the sharing and utilisation of knowledge. (Study.com Academy, 2017)

Additionally, in the knowledge-based vision of the firm, knowledge is regarded as the most valuable resource available to the firm. Because knowledge-based resources are difficult to duplicate and socially complicated, the different knowledge bases and capacities of organisations are the most important determinants of long-term competitive advantage and better corporate performance.

This perspective adds to and expands on the firm's concept of a resource-based vision, which was introduced earlier. This view proposes that firms use knowledge to produce goods and services, that knowledge is the most valuable resource a company has, that knowledge is created and maintained by individuals rather than organisations, and that firms exist because markets are incapable of coordinating the knowledge of individual specialists. A management position is one that is held within an organisation. Grant et al. (2013) and Riggs et al. (2020)

When Wernett (1984) proposed the Resource-based View (RBV) theory, he stated that a firm's competitive advantage is frequently gained through the possession of unique resources that are difficult or impossible to imitate or transfer. This theory also states that a firm's competitive advantage is frequently gained through the organization's capabilities in making use of those resources. Physical capital (plant and equipment, technology, location, and access to raw materials), human capital (training, experience, judgement, intelligence, and insight from managers and workers), and organisational capital (formal and informal structure between external organisations in a competitive environment) are the three types of resources that exist (Philip, Graham, 2004, Barney, 1991).

### 4. Stylized Fact

Kasper, Lehrer, Muhlbacher, and Muller (2013) conducted research on intra-organizational knowledge management in order to better understand the idiosyncratic variance in MNC cross-site knowledge management methods in six multinational corporations (MNCs). The field research was conducted in 18 sites across six distinct companies in ten different countries and on three different continents. Interviews with experienced managers were done on each of the 2-4 continents (typically three) for a total of 53 interviews. The six companies were all based in Europe or North America. The interview was conducted in a semi-structured manner. The data was analyzed using an iterative process. According to the study, the primary axis of variation across multinational corporations (MNCs) is determined by the relative importance of global integration and local response. The study examined three distinct types of MNCs: global, multi-domestic, and transnational. Global multinational corporations exhibited a high degree of integration but low levels of local responsiveness, whereas multi-domestic multinational corporations exhibited a low degree of integration but a high level of local responsiveness, and transnational multinational corporations exhibited a high degree of integration but low levels of local responsiveness. Each of these multinational corporations has a unique combination of official and informal knowledge management practices. (Kasper, Lehrer, Muhlbacher, and Muller, 2013)

Global MNCs are structured as global hierarchies, with branches reporting to and under the control of headquarters. Knowledge sharing is hierarchical in the sense that it is disseminated from headquarters to subsidiaries rather than among subsidiaries on their own. The process of sharing knowledge is extremely structured and institutionalized.

Multi-domestic MNCs, on the other hand, operate decentralized federations with a high degree of local responsiveness, resulting in more organizational diversity between units. Each unit strives to improve operations in order to suit local needs by adopting better or more innovative practices than the competitors. Their main goal with knowledge sharing is to facilitate the exchange of best practices. The headquarters' responsibility is to assist subsidiaries in coordinating communication so that best practices can be developed and shared.

Knowledge exchange is more difficult for transnational MNCs. Although multinational MNC units do organize to find and share valuable information, it is generally emergent from the bottom up. In information sharing, there is increased self-organization and local responsiveness among subsidiaries. Gupta and Govindarajan (1991) identified four key critical roles that MNC branches perform in the paradigm of MNC knowledge transfer (integrated players, local innovators, global innovators, and implementers). Six companies in western countries, in Europe and North America, were studied.

There were also discrepancies in knowledge-sharing techniques, which resulted in even more peculiarity. The idiosyncrasy appeared to be very specific to the industry. For example, management consultancies made a priority sharing project-specific information, whereas high-tech organizations prioritized sharing technological knowledge and industrial material firms prioritized sharing function-specific knowledge. Although there was limited overlap in terms of content and method for cross-site knowledge transfer, the three distinct MNCs information-sharing contexts were described using self-organizing, technocratic, and best practice systems.

Wilson (2020) conducted research on the features of knowledge management in international firms and their Serbian subsidiaries, including Banks in Serbia, Apple Inc., Coca-Cola, Microsoft, and others. This was done using data from AMCHAM (American Chamber of commerce in North Macedonia) and the National Bank of Serbia, both of which provide information on foreign direct investment in Serbia and how MNE operations are related to it. Furthermore, a review of the literature is conducted to determine how knowledge flow is crucial in promoting innovation, the development of new systems, and the usage of databases and intranet in MNEs. Because of their size and operating regions, American multinational corporations indicated that the nature of knowledge varies from firm to firm. As a result, sharing and transferring knowledge is done on a company-by-company basis to ensure that all subsidiaries follow the same procedures, use the same machinery and software, and use the same format. When an employee learns something new or develops a new technique of performing a task, these instructions can be documented and copied in other units. The most effective strategy for promoting knowledge sharing, according to the research, was to link rewards and performance appraisal. The majority of the respondents, 60.38%, were informed about programs via engaging with other colleagues. Information from the firm's publications and other employees were found to be the main sources of awareness. In addition, the majority of the participants took part in a combination of mentorship, coaching, or job rotation, as well as unique initiatives.

Coca Cola Business report produced on April 21, 2021 and amended on May 27, 2021, stated that the company has built a structure system that enables its staff to perform effectively. Decentralization is critical to the project's success. For example, business managers are accountable for their area and so result-oriented. This local management assignment is extremely useful in terms of responding to local circumstances. Additionally, a large organization such as Coca-Cola benefits from decades of experience in all business processes. Such data can be efficiently used not only by the departments that gathered it, but also by others to ensure a better understanding of the process and increased dedication. Coca-Cola's knowledge management system consists mostly of an Intranet system, feedback sessions, and an informal network. The Coca-Cola Company's current framework is the outcome of the collaborative efforts of several divisions. In other words, they have thrived in operations by relying on their employees' unspoken knowledge. This was made feasible by the development of a strong link between knowledge management and cooperation. As a result, regardless of location or position within the organization, the Coca-Cola system is regarded to be more interconnected by knowledge exchange. Coca-Cola is a multinational corporation with headquarters in Atlanta, Georgia, and offices in more than 200 countries.

Nestlé's International Business Strategy (2021) indicated that the company is a global corporation based in Switzerland that manufactures food and beverage products. A localization strategy is one of its cornerstones. Nestlé's success has always been powered by innovation and a keen understanding of customer needs in emerging markets. Nestlé products are defined by their inventiveness and an increasing emphasis on regionalization. The overarching goal is to integrate into various geographical locations by infusing local flavours into products and selling them in the local language. Nestlé, for example, launched a line of nutritional beverages in China in 2018 using herbs grown locally. As a result, the company increased its revenue by double digits the next year (International Business Strategy, 2021). Nestlé, the world's largest food and beverage company, incorporated Star mind, a new way of collaborating and sharing know-how that has the potential to accelerate innovation and new product development, to improve knowledge exchange among employees across its research and development network, to reduce time spent searching for information or connecting with the right person, and to encourage a new way of collaborating and sharing know-how that has the potential to accelerate innovation and new product development. Star mind offers a mobile and real-time solution for simplifying the exchange of expertise and facilitating discussions among interdisciplinary teams. It also gives employees with answers to any question from top specialists within their firm. It creates a firm expertise network using self-learning algorithms. Nestlé tried it out for seven months and saw significant improvements in their knowledge management system. (Star Mind, 2018)

## 5. Methodology

This qualitative study which was exploratory in nature used ex post facto research design of trend analysis to do a comparative study of knowledge management constraints and solutions on several studies in knowledge management on different categories of multinational enterprises with unique firm-specific knowledge bases in developed countries (United States of America and Europe) and developing countries (Nigeria). Qualitative research designs were applied in this study. It was ideally adapted to provide the required integration which guaranteed that workplace realities are explicitly linked to the firm's general activities and managerial conduct. Qualitative approaches appear to be particularly well-suited for elucidating corporate knowledge management practices. (Bluhm, Harman, Lee, and Mitchell, 2011).

### 5.1. Data Presentation and Analysis

The study explored current practices and trends in knowledge management in the last decade that cut across several developed countries like American and European countries and developing countries like Nigeria and discovered the following:

There are 100 companies in the technology industry that matter in the knowledge management world (KM World) whose operations started from 1998-2019. These companies manage knowledge in global firms and organize annual knowledge management conferences in Washington DC annually. Social media, Internet of Things sensors, email, video, call centers, interactions, and internet browsing are just a few of the sources of data that multinational organizations are inundated with. Information and data are not the same as knowledge in this context. Throughout the year, vendors recognize the top 100 knowledge management organizations in order to help shine a light on outstanding knowledge management practices (KM). In 2019, a list was compiled based on the previous twelve months' worth of information. There is a wide range of industries represented among the top 100 companies, all of which are addressing the evolving demands of knowledge management. Several are long-established businesses with established products and services, while others are newcomers to the neighborhood with emerging products and services. Wells et al. (2019).

When it comes to knowledge management, the most effective solutions and services are those that distribute information to users when and where they need it while also protecting it from unauthorized access. On-premises and cloud-based deployment options are available for a variety of solutions that include cutting-edge capabilities such as artificial intelligence, machine learning, natural language processing, digital assistants, and other advanced technologies. Accenture (a global professional services firm that works at the intersection of business and technology to drive innovation through investments in machine-led solutions to assist clients in transitioning to data-driven intelligent enterprises), Access Innovations (a company that aims to give customers control over their data by providing bespoke taxonomies or the tools and knowledge to create their own), and Accusoft (a company that provides APIs and software development services) are among the companies that have been named (high performance document viewing, advanced search, picture compression and conversion, and so on). Earlier this year, Adobe acquired Market, a provider of software for business-to-business marketing interactions, as well as AINS, a provider of cloud-based, adaptive case management platforms and solutions for the public and private sectors. In order to bring novel products to market quickly, they provide assistance to their customers. Media or company knowledge management platforms include Algolia, Amazon Web Services, Ampliance, Appian, Asana, ASG technologies, Atlassian Confluence, Aura Portal, BA Insight, USA, Bloom reach, Box, BP Logix, Cambridge Semantics, CGI, Critix, Clara bridge, Cognivision, Deloitte and HPE, to name a few. Algolia, Amazon Web Services, Ampliance, Appian, Asana (William Wells's forthcoming book is an example.)

American Productivity and Quality Center (APQC) (2019), asserts that the best four components of knowledge management are people (to lead, sponsor, and support knowledge sharing), processes (to manage and measure knowledge flows), content and information technology tools (that connect the right people to the right content at the right time), and strategy (to ensure that the right people are connected to the right content and at the right time and utilizing knowledge management to address the business's most critical and urgent needs). These components comprise APQC's knowledge management capability assessment tool (KM CAT), a diagnostic that has aided hundreds of organizations in analyzing their knowledge management programs. APQC is the world's top authority on benchmarking, best practices, process and performance improvement, and knowledge management, with over 550 member organizations worldwide (KM). Organizations demand data and insights to aid in decision making and skill development. In a poll done by Deloitte, 75 percent of firms agree that developing and conserving knowledge across evolving workforces is very important for operational efficiency.

Chug (2020) stated the future of knowledge management, Trends for 2021. Only 9% of respondents claim they are prepared to confront this trend, while 55% of enterprise data is underused. For seamless and internal operations, businesses rely on a dependable knowledge management system. The volume of unstructured data generated every day and locked away in siloed applications is the biggest difficulty in knowledge management. Emerging AI technologies, such as natural language processing and natural language production, will play a part in this. These systems can categorize and organize data across several platforms, removing one of the most important hurdles to leveraging knowledge developed within companies.

Knowledge management trends in 2021 and beyond by recent study were stated as follow:

- Improving information discovery with knowledge mining and artificial intelligence.
- Faster access to knowledge with knowledge bots to provide information related to any topic relevant to knowledge workers.
- Personalized search experiences through cognitive enterprise search.
- Seamless collaboration that enables hassle-free collaboration with intranet packages
- The rise of mobile technology with a mobile interface to have all the necessary tools at employees' fingertips, no matter where they are working from.
- All knowledge management tools on a single platform can bring all the workplace app and the knowledge management system together under an integrated digital workplace suite to prevent switching different apps.
- Cloud-based platform with intranet software.
- A friendly user interface to help employees navigate quickly and leverage the knowledge management system properly. (Chug, 2020)



## 5.2 .Findings and Conclusion

From this study on the knowledge management constraints in Multinational enterprises, the following were deduced:

- Firm-specific organizational features predefined by Multinational Corporations (MNCs) characterize the specific type of knowledge defined as relevant by MNCs and are considered to be of particular importance for organizational knowledge sharing and implementation.
- The knowledge sharing function was categorized into two major practices: benchmarking (which is dominated by technical, codified knowledge) and transfer of best practices (which is dominated by much-personalized knowledge in the process know-how)
- The direction of the flow of knowledge across MNCs sites is determined by the peculiarity of the organizational structure and strategy of the organization and its industry.
- There are disparities in MNC's knowledge types and sharing tools.
- Access to heterogeneous knowledge across MNCs was emphasized as the basis for competitive advantage, superior corporate performance, and sustainability.

## 6. Discussion

As businesses move toward a more customer-centric approach, customer relationship management and customer knowledge management are two of the most pressing issues they must address. Both stress the need of integrating and distributing resources in order to improve organizational performance and gain a competitive edge. Customer knowledge management, when done correctly, can help you develop stronger customer relationships. Knowledge's potential values develop when it is freely communicated and distributed within an organization. When knowledge is effectively employed and new knowledge is massively developed in an organization, it not only boosts productivity but also encourages innovation. Human capital has eclipsed economic capital in importance in today's information age. (Margues, Falce, Muylder, and Silva, 2019).

Knowledge, skills, training, and innovation are all important components of a company's ability to create value through the application of its employees' knowledge, skills, training, and innovation. The ability of team members to make the most of their limited human and psychological capital is a critical component of improving employee performance and information sharing. (Tseug, 2016).

In a study on the relationship between knowledge management and organizational intellectual capital, the researchers discovered a statistically significant positive correlation between the two variables, both of which have a significant impact on organizational performance through the mediating effect of learning culture. The term "learning culture" refers to a synthesis of organizational culture and organizational learning and training that takes place within an organization. (Assaker; Hallak and Connor, 2020)

In the context of internal knowledge management processes, organizational behaviour is critical. If companies want to reduce knowledge management deterrents, they must create the conditions that will encourage people to share their knowledge by making a positive contribution to the maturity of knowledge management.

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