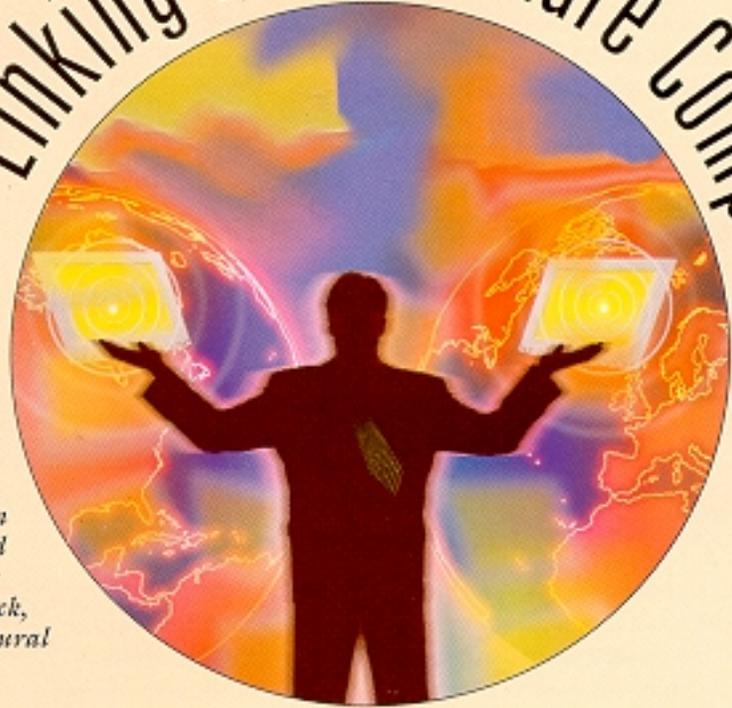


Knowledge

Linking Cross-Culture Competencies

Capturing the cross-cultural knowledge of employees for the benefit of the entire organization is a slippery task. Schieman outlines the formation and deployment of a knowledge management system to track, analyze, and disburse cultural information.



BY JOHN G. SCHIEMAN

Cross-Cultural Competence is essential for global corporations to compete effectively in the world marketplace. Competence can be the difference between international competitive advantage and disadvantage. It can be the difference between:

- attracting, developing, and retaining the best talent worldwide, *or experiencing a global 'talent drain'*
- relying on international teams to collaborate and deliver projects on time/on budget, *or experiencing dysfunctional international team behavior.*
- introducing a successful new product in an emerging global market, *or experiencing global 'marketing disaster'*
- demonstrating "speed to market", capturing market exclusivity and market share dominance, *or experiencing international market-share deterioration.*

A key element of achieving cross-cultural competence is the ability to recognize, rapidly integrate, and leverage international information overload. Today, corporations are continually “bombarded” with an ever-increasing stream of electronic and paper-based information that is extremely difficult to manage; let alone synthesize, analyze, and make crucial decisions based on the information received.

Today’s Challenges & Inhibitors

Challenge - Consider the fact that 7-20% of employees’ time-on-job is spent replicating existing solutions for others (Delphi Group) or that 44% of employees are poor, or very poor, at transferring knowledge (Ernst & Young).



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Challenge - Consider the following Expatriate service example:

- Individual departments within large global corporations transfer more than 100 Expatriates per year.
- The total cost per Expat (relocation, training, living and working expenses) is estimated at \$2 million.
- Statistics suggest that companies lose 25% of the Expats within two years of repatriation, representing a human capital investment loss of \$50 million.
- The inability to systematically capture and leverage the experience gained from the Expats who remain represents an additional investment loss of \$75 million.¹

Inhibitors - Once US companies recognize the value of knowledge management and make the commitment to create a “system”, they must be prepared to address confront and resolve significant barriers.

- Data inaccuracy – many internal electronic data file contain inaccurate and/or incomplete information. Generally, these inaccuracies are shielded from customers and business partners through extensive manual reviews that precede distribution. Adoption of data standards and data ‘cleansing’ are prerequisites to the establishment of knowledge management systems.

¹ Stan Lomax, Best Practices for Managers and Expatriates, p. 99

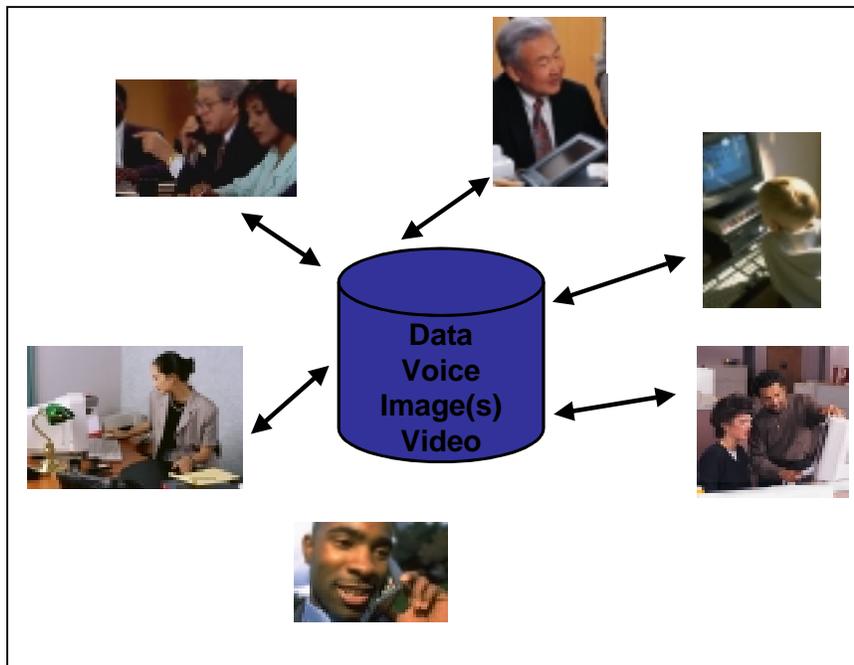
- Internal company organizational structure – In large corporations, individual divisions and departments maintain redundant versions of the same data, often defined in as many ways as there are departments. Enterprise-level information sharing protocols will need to be established to reduce or eliminate these barriers.
- Bias for action – US culture is frequently described as a Ready – Shoot-Aim. This bias for actions limits the “organizational patience” for the establishment (and utilization) of knowledge-based systems.

A Knowledge Management Approach

An effective knowledge management system can mitigate many of these issues. Knowledge management is about intellectual capital, it is a system that manages and interprets the information that people need in their business and in their personal life. Effective communication is at the heart of the process; it is how information is transformed into knowledge.

Successful Elements - Elements of an effective cross-cultural knowledge management system include the ability to:

- capture, integrate, store, and provide easy access to all information types including data, voice, image, and full-motion video.



The situation - the initial round of “new hire” interviews is conducted by two US-based recruiters over a one month period. The interviews are by telephone, involving 75 candidates in the US, the United Kingdom, Japan and Germany. Candidates that are accepted for second round interviews meet with the manager of the division with the opening.

Consider a knowledge management system that not only contains the recruiters notes from the initial interviews, but also critical, recorded segments of the phone interview to provide insight to the manager.

Consider that same knowledge management system able to store applicant video clips of interviewees who submitted CD-based applications with video.

Consider a system that scans voice tracks to alert the interviewers to cross-cultural communication differences; that when the British say “quite good”, they actually “a bit disappointing” or when the Japanese say “yes”, they mean “we will consider it”.

- interface the knowledge management system with key internal business processes and external information sources.

The situation - A rapidly growing pharmaceutical company is experiencing production problems with its offshore operation.

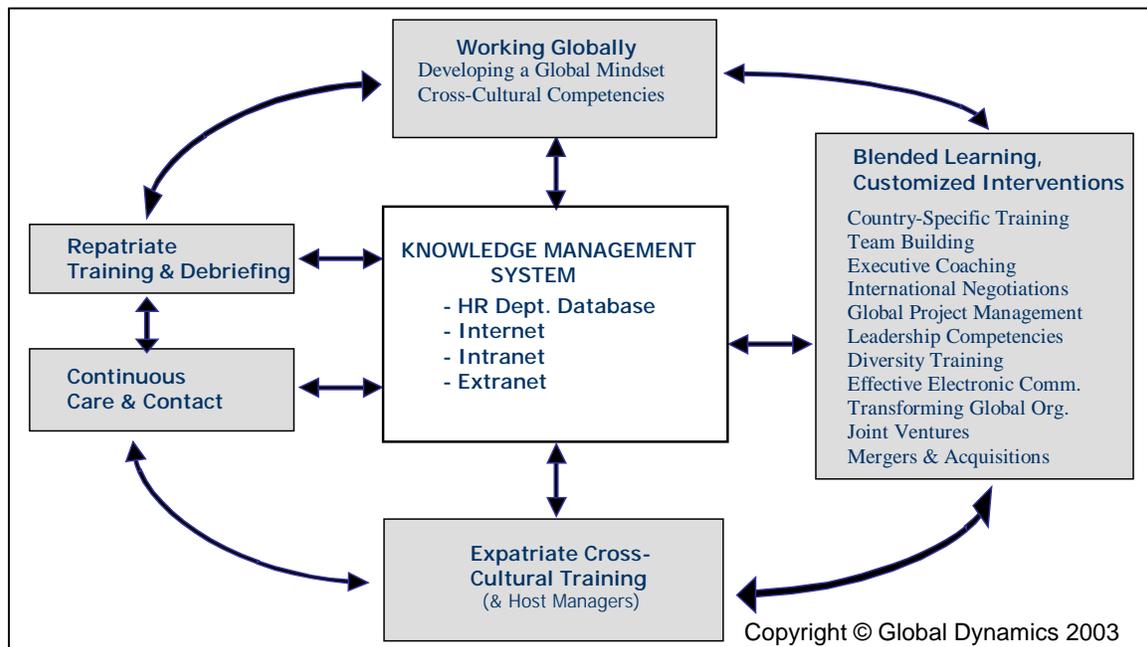
Consider a knowledge management system that recognizes (in real time) that turnover is increasing at the plant and identifies a strong correlation between the increased turnover and a recently assigned operations manager; and triggers an alert to the HR manager responsible for plant personnel..

- enhance an organization’s global “professional development” process.

The situation – A high potential manager has recently been informed that he is being considered as a future global leader and that he should consider an international assignment.

Consider a knowledge management system that assists the manager with international assignment selection, develops a two-year blended learning curriculum to support his international assignment, provides access to “lessons learned” from previous international candidates, and assigns an executive mentor.

A Cross-Cultural Knowledge Management Model - The following model developed by Global Dynamics Inc. demonstrates how a knowledge management system establishes cross-cultural competence within a global organization.



- *Deliver* a basis cross-cultural course for all employees. *Capture* and *categorize* each participant's global challenges, issues, personal goals, case studies, "lessons learned", and e-mail addresses to form an electronic community.
- *Establish* curriculum 'paths' based on building specific core competencies. For example, creation of a path focused on building cross-cultural teaming "excellence" while another path could be focused on developing future global leaders.
- *Provide* for the ability for each associate to create their electronic, competency roadmap and skills component. Systematically track individual progress toward competency goals.
- *Establish* a cross-cultural library of blended learning courseware consisting of in-house developed programs and available through third-party partnerships that support the roadmap concept.
- *"Query"* the collective knowledge derived from the case studies, "lessons learned", and personal/business experiences.
- *Analyze* the information to identify candidate replacements and succession planning.
- *Establish* an International Assignment "series of interventions" in support of Expatriates and Repatriates. Record "lessons learned" throughout each international assignment.

- *Capture* international issues and trigger personal coaching based on individual circumstances.
- *Analyze* the information to identify, interpret trends, and identify process-improvement opportunities.

Knowledge Management Deployment Opportunities

A Deployment Model - Capturing the information is only the first step. Access, availability, and integration of the knowledge management system are the most important steps.

- Intranet deployment - maximizes the availability and value of the knowledge within the corporation. First, this type of deployment breaks through the individual division/department information barriers and allows corporations to leverage the value of internal information. Second, As the knowledge management system becomes more tightly integrated within the corporate value chain, substantial process improvement and cost efficiencies will result. Finally, Intranet-based knowledge management deployments tend to maximize effective communication and establish a strong sense of collaboration.
- Internet deployment - integrates internal knowledge management systems with information external to the corporation. First, it provides access to the rapidly growing abundance of “real time” information on the world wide web to improve understanding and decision-making about customers, products, and markets. Second, it facilitates two-way communication with those customers and markets. Finally, it extends the “global reach” of the corporation.
- Extranet deployment – establishes electronic highways among corporations. First, creates the possibility to extend the corporation value chain to effectively collaborate with worldwide low-cost providers. Second, it allows corporations to international focus on core values. Finally, it provides the opportunity to form “electronic partnerships of convenience” to deliver additional services and enter new markets.

Effective knowledge management systems are essential components for establishing global cross-cultural competence. They provide the ability to codify knowledge and personal experience, making it available to the entire organization. Knowledge management fosters a continuous learning process



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