Chapter XII
Improving Global Knowledge Management Through Inclusion of Host Country Workforce Input

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ABSTRACT

Within a framework of international strategy for multinational corporations, this chapter examines the important opportunities afforded by taking a more inclusive approach to the foreign subsidiary host country workforce (HCW). It argues that past international management writing and practice, with its expatriate bias, has neglected consideration of this important resource. Not only can the HCW help expatriate managers be more successful and have a better experience in the host country, but it can contribute to and benefit from the corporate knowledge base, leading to more effective global knowledge management. The authors discuss means by which a multinational corporation can effectively include the HCW in its knowledge management activities.
INTRODUCTION

The globalization of the workforce is one of the most significant trends affecting workers in the 21st century (Ivancevich, 1998). Yet there remains a major focus in both the scholarly and practitioner press primarily on the home country workforce—expatriates or parent country nationals from company headquarters—at the expense of other members of the multinational workforce within the global marketplace (Toh & DeNisi, 2003, 2005). With its continued predominant focus on the expatriate, current research in knowledge management and organizational learning on a global scale still reflects an ethnocentric bias (e.g., Paik & Choi, 2005; Bird, 2001; Wong, 2001; Antal, 2001; Bender & Fish, 2000; Downes & Thomas, 2000; Black & Gregersen, 1999). For example, Paik and Choi (2005) found that Accenture, one of the leading global management consulting firms, fell short of fully harnessing and transferring knowledge due to the lack of appreciation for local and regional knowledge. Such one-sided flow of knowledge from the multinational corporation (MNC) headquarters to overseas subsidiaries impedes the potential maximum utilization of knowledge across borders (Kraul, 2003; Bernstein, 2000; Bauman, 1998).

The objective of this chapter is to examine the practical limitations and vulnerabilities resulting from the overemphasis on expatriates and parent country nationals in efforts to achieve effective global knowledge management. Specific ways in which members of the host country workforce (HCW—including third country nationals serving in host country operations) can contribute to effective global knowledge management will be examined, along with strategic implications for MNC competitive advantage when a more inclusive approach to knowledge management and organizational learning is used.