Chapter II
The Impact of Culture and Context on Knowledge Management

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INTRODUCTION

Jennex (2005) used an expert panel to generate the definition of knowledge management as the practice of selectively applying knowledge from previous experiences of decision-making to current and future decision-making activities with the express purpose of improving the organization’s effectiveness. This was a consensus definition from the editorial review board that tells us what we are trying to do with knowledge management. However, knowledge management is being applied in multinational, multicultural organizations and we are seeing issues in effectively implementing knowledge management and transferring knowledge in global and/or multicultural environments. Chan and Chau (2005) discuss a failure of knowledge management that was in part caused by organizational culture differences between the home office (Hong Kong) and the main work location (Shanghai). Jennex (2006) discusses Year 2000, (Y2K) knowledge sharing projects that were not as successful as expected due to cultural and context issues. These projects involved organizations that performed the same functions just in different nations, however, problems caused by culture and context were not expected. Other research in review with the International Journal of Knowledge Management explores issues of culture with respect to social capital and implementing knowledge management. None of these are far reaching studies that we can generalize issues from, but they do provide anecdotal and case study support that culture and context are issues we need to address.

Why consider culture and context? Davenport and Prusak (1998) view knowledge as an evolving mix of framed experience, values, contextual information and expert insight that provides a framework for evaluating and incorporating new experiences and information. They found that in organizations, knowledge often becomes embedded in artifacts such as documents, video, audio or repositories and in organizational routines,
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processes, practices, and norms. They also say that for knowledge to have value it must include the human additions of context, culture, experience, and interpretation. Nonaka (1994) expands this view by stating that knowledge is about meaning in the sense that it is context-specific. This implies that users of knowledge must understand and have experience with the context, or surrounding conditions and influences, in which the knowledge is generated and used for it to have meaning to them. This also implies that for a knowledge repository to be useful, it must also store the context in which the knowledge was generated. That knowledge is context-specific argues against the idea that knowledge can be applied universally, however, it does not argue against the concept of organizational knowledge. Organizational knowledge is considered to be an integral component of what organizational members remember and use meaning that knowledge is actionable.

First we need to define what we mean by the terms culture and context. The United Nations Educational, Scientific and Cultural Organization, UNESCO, states that culture is the “set of distinctive spiritual, material, intellectual and emotional features of society or a social group and that it encompasses, in addition to art and literature, lifestyles, ways of living together, value systems, traditions and beliefs” (UNESCO, 2002). The American Heritage Dictionary (2000) defines context as the part of a text or statement that surrounds a particular word or passage and determines its meaning and/or the circumstances in which an event occurs; a setting. Culture forms the basis for how we process and use knowledge by providing belief frameworks for understanding and using the knowledge, context provides the framing for the knowledge explaining how it is created and meant to be used. Both are critical to the transfer and reuse of knowledge, where we use the Nonaka and Takeuchi (1995) and Polanyi (1967) view of knowledge as having tacit and explicit dimensions. Tacit knowledge is that which is understood within a knower’s mind and which cannot be directly expressed by data or knowledge representations. It is commonly referred to as unstructured knowledge. Explicit knowledge is that knowledge which can be directly expressed by knowledge representations. This is known as structured knowledge. We normally expect explicit knowledge to be easily transferred while we expect issues with transferring tacit knowledge. However, we are finding that transfer of either dimension of knowledge in a multicultural environment is not easy.

Next we need to discuss how knowledge is transferred. Knowledge transfer occurs when people, as members of the same and/or different organizations, exchange tacit and explicit knowledge. Nonaka and Takeuchi (1995) propose four modes (processes) for knowledge creation and transfer:

- **Socialization:** The process of sharing experiences, thereby creating tacit knowledge such as mental models and technical skills. Tacit knowledge can be obtained without the use of language, that is, through observation, imitation, and practice.

- **Externalization:** The process of articulating tacit knowledge in the form of explicit concepts such as metaphors, analogies, hypotheses and models.

- **Combination:** The process of systemizing concepts into a knowledge system by combining different bodies of explicit knowledge. Explicit knowledge is transferred through media such as documents, meetings, e-mail and phone conversations. Categorizing this knowledge can lead to the generation of new knowledge.

- **Internalization:** The process of converting explicit knowledge to tacit knowledge and is closely related to learning by doing.

These four modes or processes show that the transfer of knowledge is dependent upon the transfer of a common understanding from the