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Knowledge Management for MNCs



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1. Introduction

1.1 Knowledge and Knowledge Management

Mertins et al. (2003) saying that Knowledge is the power is a fact that shall always be kept in mind. Knowledge is the most inevitable fundamental element to have the competitive advantage for organizations. It is very important that all the organizations utilize and manage the knowledge efficiently and effectively within the organization. In the MNC Companies the workforce is dispersed across the world and hence there are various opportunities for gaining variety of knowledge, however at the same time there is challenge of dissemination of organizational knowledge across the inter firm boundaries. Organizations including MNC have in recent focused on the using the IT driven Knowledge Management Strategies as the knowledge repositories. However, it has been found that IT driven KMS also has its constraints which need to taken into consideration. Hence, it becomes important that MNC organizations also lay proper attention of the social perspective and social strategies for the sharing of the knowledge across the inter-firm boundaries in MNC. Proper utilization of social perspective and social channels for dissemination of the knowledge can play a key role in framing effective KMS strategies for the MNC organization.

This study will hence aim at finding the limitations of the IT driven KMS strategies for the MNC organizations and at the same time reap the benefits by implementing and following the social perspective of KMS. The study is a report to the MD of the MNC organization for implementation of better KMS strategies for the effective knowledge flow and knowledge sharing within the organization by incorporating social perspective and strategies along with the IT driven KMS. The researcher has done secondary research to understand the underlying KMS for MNC organizations so that efficient analysis for the research problem background can be done. The secondary research for the research problem aided the researcher to form conclusive results and recommendations for KMS in MNC organizations

1.2 Knowledge management for MNC

Maier (2004) identify that the modern business environment has changing market and fast technological advancement hence; it becomes important that the organizations are flexible and develop the potential to learn. The Knowledge has become an important driving factor for success of the organization.

Tuomi (1999) pointed that there is a need for proper knowledge management so that the knowledge can be shared across the inter-firm boundaries across the organizations. Knowledge management is hence is the integrated approach to achieve the goal that the attention is laid on the knowledge which is an important factor for increasing the productivity and increasing operational and functional efficiency. The Knowledge management consists of various practices and strategies that help the organizations to identify the knowledge requirements; create and represent the knowledge and share the knowledge within the organization.

The MNC organizations have dedicated their efforts for Knowledge Management to ensure that the objectives of the organization such as attaining the competitive advantage, improving the performance, innovation, sharing the knowledge generated or available and continuous improvement in the organization. Knowledge management is important for the organization which is required for free flow of the information in correct forms and in time. The access to knowledge solitary cannot solve the purpose, it needs to be transferred internally within the organization and across inter firm boundaries so that the knowledge can serve its purpose (Thompson , 2008).

1.3Rationale for choosing topic:

The rationale for choosing the topic is that Knowledge management has become vital for the organization success. With the globalization and modernization MNC organizations are exposed to complex competition and unpredictable business environment. The proper knowledge management and knowledge sharing across the inter-firm boundaries helps the organization to sustaining and growing business under stiff competition. The research will help the organizations to understand the various

important knowledge management and knowledge sharing strategies. The research will also focus on the social perspective of the Knowledge management in MNC and find the limitation of much sought technology driven management strategies. The research will hence help the organization to formulate efficient knowledge management and knowledge sharing strategies.

1.4 Aims and Objectives:

The aim of the research will be to identify the issues with the Knowledge sharing and Knowledge Management in MNC organization. The research will also aim to formulate effective KM strategies so that the knowledge sharing can be done effectively across boundaries in the MNC organization.

The research will have following objectives:

- ✓ To identify the limitations of technology driven knowledge management and outline the problems in Knowledge Sharing across boundaries for MNC organizations.
- ✓ To identify the social perspective and processes of Knowledge Management in MNC organizations
- ✓ To analyze the main challenges for MNC organization in sharing knowledge across various countries of operations with-in MNC organizations
- ✓ To outline and implement KM strategies and policies to overcome issues and challenges of Knowledge sharing in MNC organizations

1.5 Scope of research

The scope of the research will be to find the knowledge sharing strategies that need to be employed by MNC organizations. The research will be more focused on the social

perspective of the knowledge management and knowledge sharing and limitations of the IT based and technology based knowledge sharing in the organizations. The research will be more relevant for the purpose of formulation and implementation of effective knowledge management strategies for the MNC organizations.

1.6 Structure of Dissertation and Research Time Horizon:

The first chapter of the research will include the introduction to research problem and identify the research aims and objectives. The second chapter of the research will include the literature review on the relevant secondary data. The third chapter will have the case studies and analysis and discussions on the literature review and case studies. The fourth chapter will include the recommendations and conclusions for the research.

The research will be done in a time span of 60 days. This will ensure that the exhaustive literature review and secondary research relevant to the research is done and the analysis and discussions can be done effectively. The introduction and the background study for the research topic will be done in a time period of 8 days. The literature review and the secondary research that is required for the topic will be done in a time period of 25 days. The analysis and discussions based on the literature review and secondary research will be done in time period of 12 days. The recommendations and conclusions related to the research work will be formed in time period of 15 days. The research work after the completion will be proof read to ensure that the research is free from errors and mistakes. Also, the proof reading will help in making the research aesthetic and more presentable.

2. Literature Review

This chapter will do the literature review for the various important topics relevant to the research context such as knowledge, forms of knowledge, Knowledge creation, challenges faced by the knowledge management, knowledge sharing in MNC organizations. The chapter will also do the literature review on social perspective of Knowledge management and the challenges of IT driven knowledge management. This literature review will help in proper understanding of the important topics that are must to meet the research objectives.

2.1 Knowledge

According to Tuomi (1999) knowledge is the acquaintance and familiarity with something or someone. The Knowledge is formed by various constituents such as facts, figures, information, skills and competencies that are acquired with the help of education or experience. Knowledge helps in understanding the subject or issue theoretically or practically. The knowledge can either be in implicit form or explicit form. The implicit form of the knowledge is attained with the aid of the practical knowledge and skills and competencies gained from practical experiences. The explicit knowledge is formed from the theoretical understanding of the underlying basic concept of the subject or problem of issue. The study related to knowledge is philosophy is referred as epistemology. The famous philosopher Plato described the term knowledge as "justified true belief." However, the word knowledge has various definitions and a lot of theories exist to explain the knowledge. The term knowledge is also related to human beings capacity of acknowledgement. Acquisition of the knowledge is also a complex cognitive process and it involves processes such as perception, communication, reasoning and association

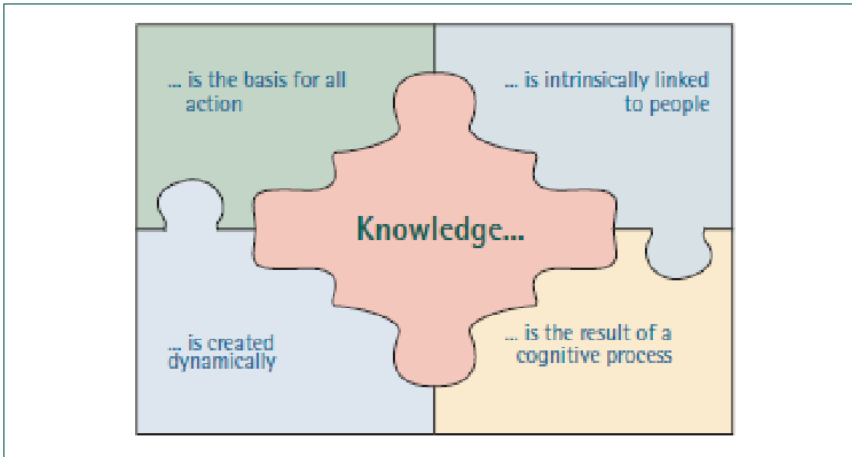


Figure 1: Basic characteristic of Knowledge (Source: Researcher)

2.2 Forms of Knowledge

It is important to understand the various forms of knowledge before we talk about Knowledge Management, Knowledge sharing and Knowledge transfer.

According to Peterson et. al (2000) the creation of the knowledge is just not the gathering and compilation of facts and information, but it is also a human process that is unique cannot be replicated. Knowledge is divided in two forms i.e. tacit form and explicit form. Knowledge exists in both the tacit and explicit form. The one form of knowledge can be stored and recorded on papers, drawings etc. The other form of the knowledge is which exists with senses, body movements of the individual, perception of the individuals, physical and mental experiences along with the intuition and the sixth sense. The knowledge which comes from the experiences of the people that are shaped by the values and beliefs of the person are known as the tacit knowledge.

Tuomi (1999) cited that between tacit and explicit form of knowledge tacit knowledge is more valuable. New forms of the knowledge are generally created from the tacit knowledge. The artifact representation of the tacit knowledge is the explicit knowledge.

Artifact of the tacit knowledge can be in forms of documents, videos, graphs, pictures, images etc. The explicit knowledge aids in the communication of the knowledge. The effectiveness of the knowledge management in the organizations can be increased when both the forms of knowledge are efficiently used by the organizations. The creation of the knowledge takes place with the interaction of the tacit and the explicit knowledge.

2.3 Knowledge Management

MNCs need to ensure that the knowledge management is done effectively so that it can cross inter firm boundaries and effective knowledge sharing and knowledge transfer is done.

Mertins et al. (2003) identified that the knowledge plays the most important role in the decision process and hence is an important resource. However, till the recent past a very less attention was paid by the organizations in Knowledge management. But the importance of knowledge management cannot be overlooked now due to globalization and modernization. Hence, it becomes important that various MNC organizations build proper guidelines and frameworks so that the knowledge can be managed efficiently. Both the implicit and explicit forms of the knowledge need to be efficiently managed by the organizations. Apart from the procedural documentation of the knowledge on knowledge depositories such as computer and internet sources, it is important that the organizations now focus on the dissemination of the knowledge across the various inter firm boundaries efficiently.

Mertins, Heisig and Vorbeck (2003) identified that the companies that succeed in implementing successful knowledge management strategies ensure that they have ongoing commitment for knowledge management. These companies focus on the development of an efficient KM culture so that the innovation and the participation of the employees of the organization can be promoted. A successful KM strategy has a well defined IT structure along with proper emphasis on social perspective of the knowledge

management. Efficient KM strategies clearly define the accountability of the employees along with incentives and rewards associated with knowledge sharing(Jennex, 2008). Efficient KM strategies have ability to ascertain the changes in KM requirements and hence respond accordingly. Also frequent communication between the employees is must, so that participation for knowledge management can be promoted. Also, the employees must be given the opportunity to provide their feedbacks and suggestion to make the knowledge management in the organization even better.

Liebowitz and Frank. (2011) concluded that broadly KM can be stated as set of the practices which maximize the value of business knowledge by collecting, structuring and providing it at the various important points of interaction. The basic model of knowledge management depicts that the KM is targeted coordination which is an important factor for productivity and for managing the environment in the organization so that the knowledge available with an individual employee can be shared and hence help in generating collective knowledge.

The knowledge management strategies state that knowledge has three important aspects:

Individual Knowledge: Individual knowledge is the sum of the skills, competencies and capabilities of an individual. It determines the contributions which individual can make and actions which the individual can take for a particular task or project. The individual knowledge in an organization is made by the knowledge and interactions of the employees of the organization (Scarbrough & Swan, 1999).

Data: The data is available from internal sources within the organization and the external sources available outside the organization. All the explicit knowledge i.e. documented knowledge available is known as data.

Action: The action aspect of the knowledge has both mental and physical actions for problem solving. The completion of even an individual task helps in generating large amount of data and both the individual knowledge and data helps in providing the inputs for taking action. The business activities and process are enacted and hence the process creates the value for the organization (Scarbrough and Swan, 1999).

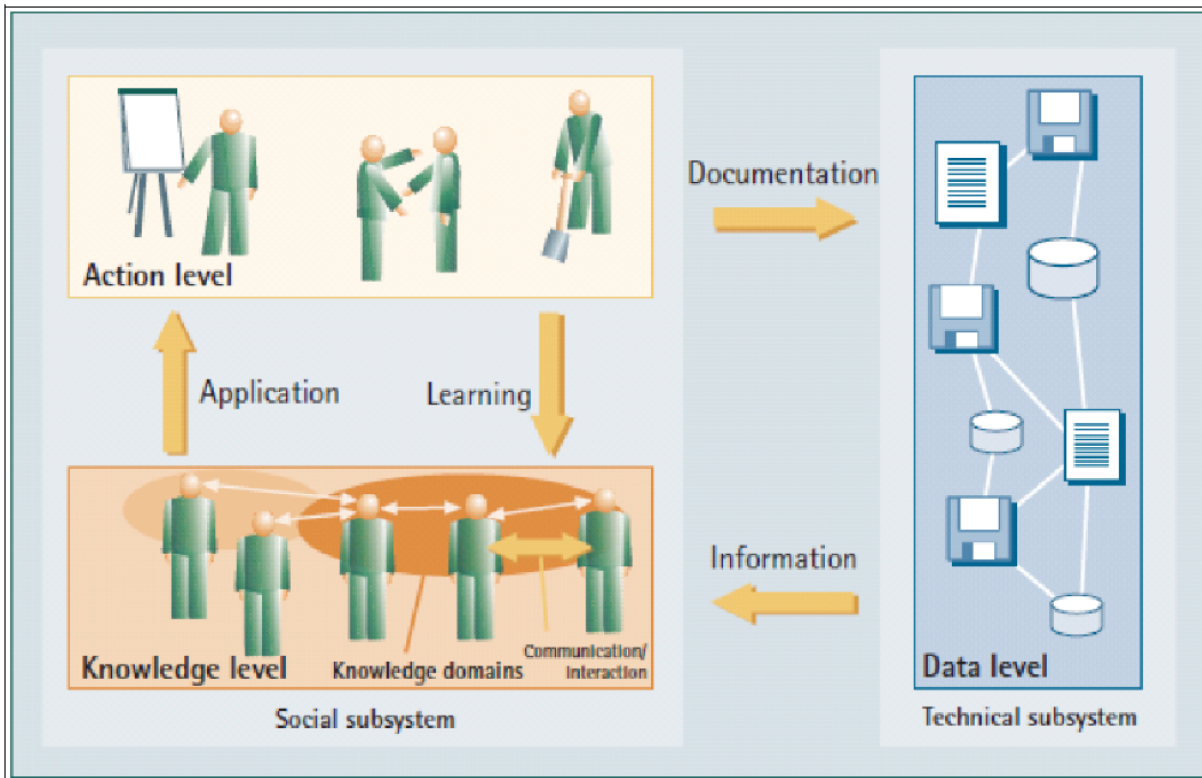


Figure 2 – Basic model of KM (Researcher)

The knowledge management is divided into knowledge creation, knowledge storage and retrieval, knowledge sharing and knowledge discarding. It becomes important to understand each of the factors of KM to form efficient KM strategies for the organization.

2.3.1. Knowledge Creation

Scarbrough & Swan (1999) stated that the knowledge creation for an organization includes the development of new knowledge and the replacement of the existing elements of the implicit and explicit knowledge of the organization.

Knowledge is created on the individual level by the cognitive processes of the individuals for instance the reflection and by the social interactions between the different individuals such as the group solving problem. The knowledge that steps from the employees of the organization at the individual level is amplified to the knowledge at

organizational level and is cycle of continuous conversion between the tacit form and explicit form of knowledge. The continuous conversions in the organization from tacit form to tacit form (socialization), tacit form to explicit form (externalization), explicit form to explicit form (internalization). Socialization is the process by which knowledge is created from active interactions between the individuals in the forms of practice, imitation and observations.

Scarbrough and Swan (1999) stated that the externalization mode is the process by which the tacit knowledge is transformed into explicit knowledge so that it can be easily comprehended and is accessible to the individuals. The combination mode is the process by which new knowledge that is explicit is generated with the aid of communication, systematization and by the diffusion of the explicit knowledge that already exists such as reports and documents. The internalization mode is the process by which creation of the tacit knowledge takes from explicit knowledge. This form of conversion of knowledge is same as traditional learning such as learning from discussion. The three form of conversion of knowledge spreads the individual knowledge to organizational knowledge level and expands the knowledge base at the personal level. The process of conversion of knowledge in three different forms is depicted in the figure.

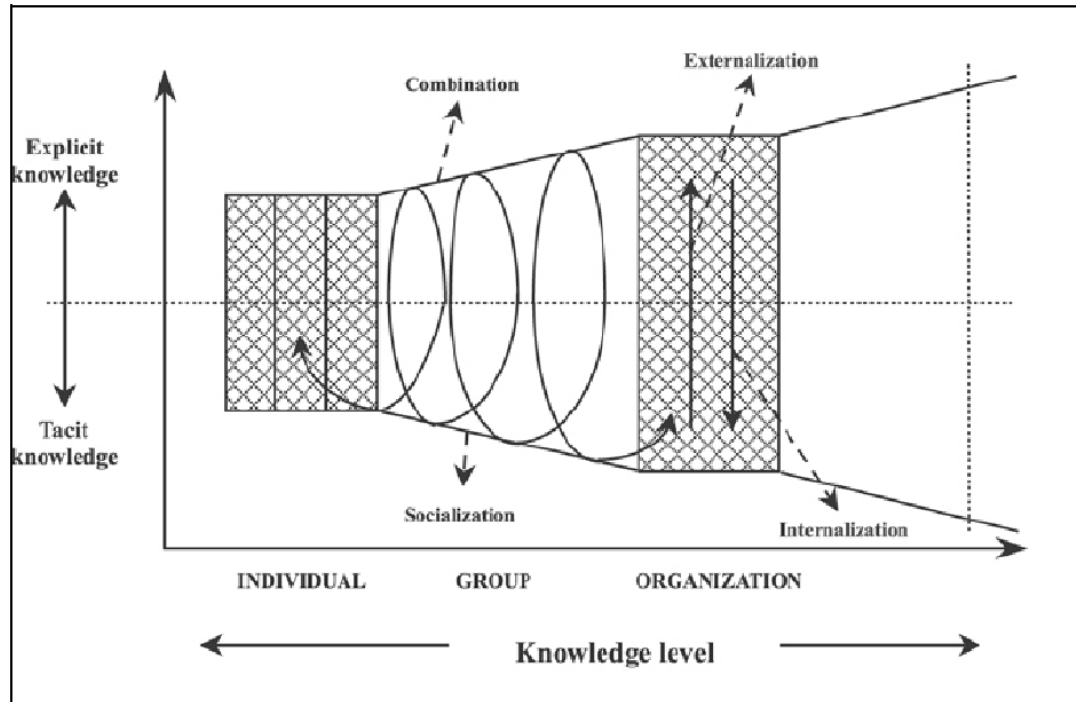


Figure 3: Spiral of Knowledge Creation (Source: Liebowitz and Frank, 2011)

The creation of the knowledge in the spiral also has resource dedication such as R&D teams, fusion which includes gathering the workforce so that different perceptions of the employees can be collected to formulate a joint solution. The spiral of knowledge creation also has adaptation which refers to crisis management and networks which refer to the internal networks which are self organized and generates internal knowledge. However, many organizations nowadays are also focusing on the knowledge acquisition such as from acquired company or from the outsourcing or consultancy (Liebowitz and Michael, 2011).

2.3.2. Knowledge Storage and Knowledge Retrieval

Mertins, Heisig and Vorbeck (2003) argued that it is very important that the knowledge that is created is not lost. The knowledge that is created is codified and stored so that the knowledge can be kept intact for future use and can be retrieved whenever required. The knowledge storage and the knowledge retrieval form the memory for the organization. The organizational memory consists of all the knowledge that is available in the organization. The knowledge that is codified is written in the form of documents, organizational procedures, information that is structured and stored in the form of database. Knowledge in organizations is also stored in the codified forms in systems. The knowledge in the organization forms the memory which has two dimensions that are individual memory and the organizational memory. The memory that is built in individuals on the observations, actions and experiences is known as individual memory. The organizational knowledge and organizational memory has a broader perspective and is the cumulative and collective collection of the past knowledge and past experiences and has a strong impact and influence on the present operations and activities of the organization.

Peterson et. al (2000) pointed that the memory of the organization can be divided into episodic and semantic memory. The semantic memory of the organization is the articulated and explicit knowledge that is available in the organization. For instance the annual reports of the organization are a form of semantic knowledge. The episodic knowledge of the organization is generally specific to context for instance the decisions of the organization that are particular and peculiar to the organization along with the context and its outcomes.

According to Jay (2011) The organization memory can have both the positive and negative impact on the organization. The positive impact of the organization memory is that it helps the organization in storing the important information and assists the organization in seeking solution to the problems from the past experiences. The negative impact of the organizational memory can be that the memory of the

organization may have information and knowledge that may have become outdated and may result in inappropriate decisions on the basis of outdated knowledge. The frequent reference and usage of organizational memory is a hindrance to organizational flexibility and also hampers the innovation in organization. Hence, the organizations need to consider both the negative and positive sides of the organization memory and design the organizational memory accordingly.

According to Marjorie (2011) The organizations need to pay attention to generate effective knowledge management process so that organizational memory can be formed efficiently. The organizational memory should be relevant and updated from time to time so that it has information that can be of use for organization and aid organization in increasing organizational performance.

The information and communication technology that is available in the organizations plays an important role in storing the knowledge and easy retrieval of knowledge as and when required by the organization. The data storage software, query languages, databases are the computer aids which help the organization to store and retrieve the knowledge. The episodic and semantic knowledge are also stored and can be retrieved with the aid of ICT (Information and Communication Technology). The ICT helps the organization to develop an effective knowledge storage system for the organization and hence ensures that organizational memory can be effectively managed (Northfield and John, 1997).

2.3.3 Sharing of knowledge in organizations

Macmillan (2003) stated that knowledge is a valuable asset for organization to sustain the competitive advantage for organization. Knowledge sharing is the activity by which the knowledge in form of facts, figures, data, information, skills, competencies, and expertise is shared and exchanged between the different group of individuals such as people, families, friends, communities and organizations. The knowledge sharing is impacted in the organization by various factors which include the business culture of the organization, social perspective of the organization, technological perspective of the

organization, trust and incentives. The activities of knowledge sharing in an organization are supported by the knowledge management system.

Dierkes et al. (2003) argued that the organizations have realized now that the knowledge is the most valuable intangible asset for the organization which helps the organization in attaining competitive advantages. Hence, various MNC organizations have efficient knowledge management systems. It should be noted that the technology forms only a factor that affects the knowledge sharing in the organization such as the trust, incentive and organizational culture. The knowledge sharing is the biggest challenge that the MNC organizations face in knowledge management because many employees feel uncomfortable to share their knowledge with the other employees of the organization. However, mostly the knowledge is treated as an object, but Zhou and Christin (2008) have argued that the knowledge must be treated as both a thing and a flow. The flow of the knowledge can be related to the tacit knowledge. The organizations must look for the difficulties that are encountered while the Knowledge flow takes place. It is because this will help the MNC organizations in developing the new and better knowledge management strategies.

Nystrom and Starbuck (1981) cited that knowledge sharing is important for the organizations as it helps in creating the new knowledge and also helps in achieving the competitive advantage for the organization and increases the turnover of employees of the organization.

Employees do not remain in the same organization or same job life-long and hence when the employee leaves the organization, some important knowledge also may leave the organization. Hence sharing of the knowledge becomes important. People are often resistant to share the individual knowledge available with them because they feel that if they share important knowledge, they may lose their importance in the organization. This defensive attitude of employees is a great hindrance in knowledge sharing. The employees have a notion that knowledge is their personal property and they have ownership of it, hence they do not believe in sharing the knowledge. Hence, it becomes important that organizations make efforts to encourage knowledge sharing in the organization. Hence, the organizations must provide rewards and incentives for

knowledge sharing. If knowledge is not shared effectively in the organization, it leads to various negative consequences such as resistance and isolation of new ideas. The organizations must hence lay emphasis on knowledge sharing strategies along with encouraging discovery and innovation in the organization. Knowledge sharing can be divided into information transfer and information application (Paul et, al., 1981).

Information Transfer

Dierkes et al. (2003) opined that after the knowledge is created, stored and retrieved, it needs to be transferred from the knowledge source to the knowledge destination. This is known as information transfer. The term transfer signifies the movement of the knowledge from one individual to the other individual or from one source to the other source. The information transfer is an important aspect of the knowledge sharing and it is affected by both the source of knowledge and the destination of knowledge. The information transfer in the organization takes place when a need for the sharing of knowledge is created.

Zhou and Christin (2008) cited that it is important to identify and evaluate that the information transferred satisfies the need of the destination. The transfer of the knowledge is done when it becomes essential for the destination source to satisfy its need by new information or information that is already available and stored in the organizational memory. The information transfer takes place either from organizational memory or information repositories to the individual or from one individual or group to other individual or group. The information that is generated from the explicit knowledge of one individual in the organization can be transferred to the other individual of the organization from the semantic memory of organization. For instance, when an employee of the organization stores information in form of report or document and it is later used by other employees of the organization to gain knowledge. The information that is created from the tacit knowledge of an employee of the organization can be transferred to the other employees with the aid of episodic memory. For instance, a video stored in the company server which depicts how to carry out a task which can be

seen by the employees of organization for the purpose of training and hence later execute the task proficiently.

Nystrom and Starbuck (1981) pointed that the channels for the transfer of information can be informal, formal, impersonal and personal. Apprenticeships, teamwork and trainings constitute the formal channel of information dissemination and helps in distributing the knowledge in planned and effective way. The informal channels on the other hand are events such as an informal meeting, unofficial interactions such as coffee breaks which helps in casual interaction and socialization, though it may not be effective for wide dissemination of knowledge and information. The contextualized transfer of information can be transferred effectively from personal channels which include discussions and meetings. The generalized information that can be applied easily to other contexts can be transferred with the aid of impersonal channels.

Zhou and Christin (2008) argued that the usage of the effective knowledge management strategies of organization helps in increasing the information transfer by forming the regular and efficient communication lines. The ICT in the organizations helps the employees of the organization to seek the information, without ICT the information sources of the employees may be limited to the peers and coworkers of the organization. However, the employees working in the same organization have similar knowledge and hence it hinders the access of the new knowledge. The proper and efficient knowledge management strategies help in expanding the network of connection for the employees of the organization so that they can access new information and ideas and hence it also promotes innovative activities in the organization.

Information Application

According to Peterson et. al (2000) the sharing of the knowledge between the employees of the organization can be considered efficient only when the knowledge is used effectively by the employees or individual who receives the information. Therefore the term application signifies that the knowledge is applied contextually and practiced by the receiver. The application of the transferred information commences when the information recipient uses the information. When the employee or the individual who receives the information has used the information to attain the desired result, then the information received by the recipient becomes knowledge.

When the recipient obtains the desired result and frequently uses the information and knowledge, the recipient becomes efficient in using the information and hence can get better results. The application of the information in organization is facilitated with the aid of four major mechanism that are rules and regulations, sequencing, routines and the group solving of problem and decision making. The rules and regulations are the impersonal formal standards that intend to regulate the interactions between the employees of the organization. The rules and regulations are the standards which help the organizations in converting the tacit knowledge into explicit knowledge and are used in case of large workforce, so that they can be given work instructions simultaneously instead of individual training. Sequencing is a mechanism which helps the employees of the organization in integrating and applying their knowledge for a common task, though they may be working in different time slots that are successive. The automobile assembly line is an example of sequencing mechanism for information application. Routines are the mechanism that is related to the patterns development and the specifications that ensure the individual task performance have simultaneity so that there is minimum need of communication (Zhou and Christin, 2008).

Routines can be simple processes such as assembling of the wheel chair or highly complex process such as the surgical operation. Routines are mechanisms which have complex interaction processes and may have no rules or procedure and may sometimes lack even significant verbal communication. The above mentioned and illustrated mechanisms help in the purpose of information application, but they may not be sufficient when the task becomes more complex. Therefore, these mechanisms in complex situations need to be supported by forming teams for task so that group problem solving can be done and effective decisions can be taken. This helps the individuals to make use of collective knowledge for the purpose of a common project.

The ICT of the organization also helps in constituting effective KMS by capturing, accessing and updating of the directives of organization, providing support for accurate sequencing, helping in generating automated routines and aiding the facilitation of the communication in the task team. The organizations also use the workflow management systems so that the automatic route for information, documents, rules and activities can be created for efficient and effective sequential and organizational processes (Adenfelt, Lagerstrom, 2006).

2.3.4 Discarding of Knowledge

Zhou and Christin (2008) pointed that discarding of the knowledge is also a very important process of knowledge management. It is quintessential that outdated and useless knowledge is discarded and removed from the organizational memory so that the new knowledge can be promoted, accessed and implemented in the organization. Even on the individual level, it becomes important for the employees of the organization that the old knowledge that is insignificant and irrelevant with changing needs and requirements is discarded and new knowledge is acquired and implemented. For example, a worker or employee may have done a task or job in the same way for many years, but with the advancement of technology and change in times, the same task can be done other way more effectively and efficiently. In such cases, it becomes important for the employees to understand that the previous logic and knowledge shall be

discarded and the new knowledge is acquired and implemented. Without forgoing the previous knowledge and logics, it becomes difficult for the individuals to fully gain and use the new knowledge and information. Discarding of knowledge is not an easy task, because human beings have a tendency of preserving the long held point of views and perceptions which makes it difficult to abandon the old knowledge and information. Hence, it becomes important for the organization that the knowledge discarding is done effectively in the organization and the employees of the organization.

2.4 Knowledge Management Challenges

It is important to understand the challenges of Knowledge Management so that these challenges can be identified and properly addressed by the MNC organizations.

Zhou and Christin (2008) argued that the implementation of KM strategies has become a challenging task for many organizations due to lack of awareness and understanding of challenges for knowledge management. The involvement of the worker in the KM can be hampered by several of factors that may vary from organization to organization. These factors that hamper the involvement of workers in Knowledge Management are large in MNC organizations and are a big challenge for MNC organizations. The demographic, cultural and geographical differences of workers in MNC inhibit them from participating in knowledge management. Hence, it becomes very difficult for the MNC organization to have effective knowledge management across the organizational internal boundaries and knowledge flow across the subsidiaries is limited and constrained. The broad analysis of the challenges for MNC organization in knowledge management can be classified into management related KM challenges, Organizational culture related KM challenges, KM challenges that are individual related and ICT related KM challenges.

2.5 Knowledge development& knowledge sharing in the MNC organizations

This section will identify the knowledge development and knowledge sharing in MNC organizations. Liebowitz. (2011) argued that the sharing of knowledge is very important in the organization especially across the inter-firm boundaries. It is found that MNC are the organizations which have varied and dispersed knowledge. The various geographical, demographical, socio political, cultural and spread in product line factors across the various countries of operation need to be considered and taken care of by the MNC organizations. Efficient knowledge sharing and knowledge management can help the organization to explore and develop new synergies between the workforces of different subsidiaries and help the organization in developing and using economies of scale and economies of scope. Making the use of the knowledge of the workers in MNC is very important but at the same time it is very challenging.

Macmillan (2003) stated that the various subsidiaries of a MNC have different experiences while interacting with the customers, other organizations and suppliers of the organization; hence they tend to form different types of knowledge that is relevant to the local market. The variation in the internal structure of the subsidiaries also results in differences in acquired knowledge. This differentiation of knowledge in the organization forms a source for potential competitiveness in the MNC organization. However, these subsidiaries of the MNC may not be capable of disseminating the information and knowledge to other subsidiaries of the MNC organization and also may not be able to absorb the information and knowledge from the other subsidiaries of the organization. Zhou and Christin (2008) hence opined that the most daunting challenge for the headquarters of the most of MNC organizations is to design an organization mechanism that is conducive for development and sharing of the knowledge across the inter-

organizational boundaries. The MNC requires deliberate endeavors to ensure that the knowledge development and knowledge sharing across the boundaries can be fostered. The knowledge development for MNC organizations has two different aspects which include local knowledge development and global knowledge development. The local knowledge development takes place at a subsidiary of the MNC and may be relevant only to MNC subsidiary or other subsidiaries which have similar business environment. Global knowledge development takes when the knowledge developed from various subsidiaries is collaborated and combined together to have a global context. The global knowledge development can cater to the needs of multiple subsidiaries of the MNC organization.

2.6 The Social Perspective of Knowledge Management for MNC

The report is made to understand the importance of social perspective of Knowledge management; hence this section of report has done the literature review of social perspective of Knowledge Management.

Macmillan (2003) stated that for understanding the knowledge management for MNC organizations, we need to understand the social perspective of knowledge. The social perspective model of knowledge states that knowledge is constructed socially with the aid of collective efforts with the common aim or with the aid dialogic interactions of different perspectives that are dialectically opposing in nature. Hence the social perspective of the knowledge states that the knowledge flows in the organization when the individuals and employees working in the different departments and units interacts socially with each other. This intra MNC flow of knowledge has its implication further strengthened by laying focus on the social theory of learning of tacit knowledge component.

Northfield and John (1997) however, on the other hand argued the distributed view states that the tacitness of the knowledge is a phenomenon which can never be fully made explicit. This view hence implies that knowledge that is procedural is majorly tacit in nature and learning or transfer of the knowledge can take place effectively by the

observation and emulation of practitioners that are skilled and by socialization. Hence, knowledge transfer requires quintessentially face to face interaction. The social learning theory also points that knowledge is related to practices and activities and hence it is more relevant with these activities and practices. The efficient learning of the knowledge hence occurs when people are engaged in shared activity jointly. This forms the basis of community of practice. Community of practice has the underlying principle that the individuals must work close to each other so that a certain task can be accomplished efficiently. The practices that are shared in these communities is a form of travel of tacit knowledge. In intra MNC flow of knowledge, these flows takes place when employees from different subsidiaries are engaged in a shared practice.

The social perspective of the knowledge transfer focuses on the people of the organization as the facility to transfer the knowledge. The knowledge is created in the organization due to continuous adaption of the people of organization to changing internal and external factors of the organization. Hence, an effective transfer of knowledge can take place by social interaction of the employees of the organization. The knowledge transfer therefore includes the important factors such as understanding how the employees of the organization form relation with other employees of organization, how they interact in a team along with the composition of organizational network and the cultural factors that impact the knowledge transfer. The social learning perspective hence depicts and illustrates that the social interaction is the major factor for the creation and sharing of the knowledge.

2.7. The Knowledge Management and IT tools

Zhou and Christin (2008) pointed that KM strategies of the organization nowadays have become very dependent on technology. The friendly front end supported by the strong back end is used in the software that is used for the knowledge management. The lower level has the explicit knowledge. The explicit knowledge is present in the repositories in forms of documents, email, data base records etc. This layer is supported by DBMS (Data Base Management Systems) and various authoring standard tools such as the word processors.

According to Zhou and Christin (2008) the infrastructure layer is supported by file servers and email browsers. The knowledge repositories are made by various content management tools which have features for searching, retrieving, analyzing and maintaining the knowledge. KM services with the aid of technology are provided by tools of data and knowledge discovery. The various portals help in the dissemination of the information and knowledge to various users with the aid of various applications such as e learning and CRM (Customer Relationship Management). The figure given below illustrates the architectural model of KM supported by technology and IT.

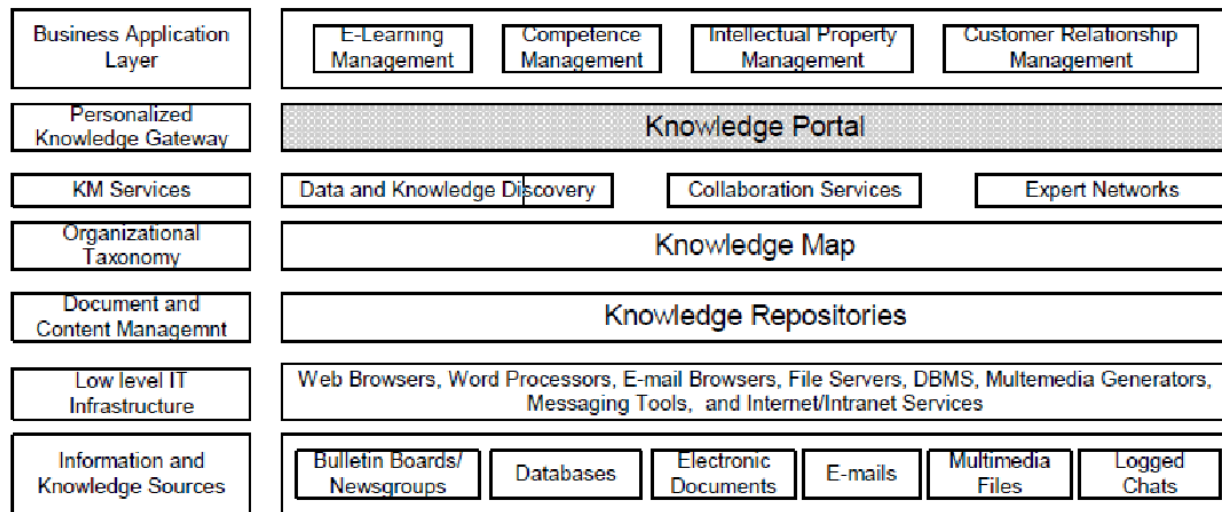


Fig: 4 KM Architectural Model (Source: Researcher)

Through portals, knowledge can be distributed to different users and applications, such as e-learning, competence management, intellectual property management, and customer relationship management.

2.8 Limitations of IT driven knowledge management

The report has the objective of identifying the limitations of IT driven knowledge management which is done in this section of report.

Macmillan (2003) stated that with the modernization, there has been an increasing use of the IT tools for knowledge management. As the businesses are stretched across globe and have different product line across various subsidiaries, the casual knowledge sharing along with the learning that are induced with the aid of physical proximity results in the opportunity loss and hinders the innovation in the organization. It has been identified by Liebowitz. (2012) that the major and significant improvement in the field of knowledge management will be related to management and human aspects, still the organization are putting more focus on the development of KM databases and tools supported by ICT. Many organizations have developed sophisticated and complex IT tools for instance groupware, intranets email and data warehousing for knowledge management with the hope that these tools will help them to manage the knowledge and create an environment conducive for knowledge sharing. However, in recent past there have been many cases such as the case of Ebank an MNC organization having its business operations in more than 70 countries where they have laid a lot of focus on development of IT tools for knowledge sharing. But these organizations failed dramatically to share and manage the knowledge in the organization. The organizations that sometimes use KMS which have usage of ICT that is very complex and not understood by the employees of the organization and hence employees are unwilling to use the ICT tools implemented for knowledge management. Hence, it is the need of hour that MNC organizations also focus on the limitations and drawbacks of ICT tools for KM.

3. Discussion, Case studies and Analysis:

3.1 Research Design for study of KMS for MNC organizations

The research is conducted to understand the importance of social perspective and social aspects of knowledge transfer and knowledge sharing in MNC organizations. The research will be done with the aid of the secondary research. All the relevant data and related to the research context was reviewed by the researcher to ensure that a proper background study for the research problem is done. The case study was also done for the EBank IT enabled KMS and Volvo group. The case study of the Ebank helped the researcher to identify the limitations that can be associated with IT enabled KMS. The case study also helped the researcher to realize the importance and significance of implementation of social processes of KMS. The case study of Volvo further identified that it is important that IT enabled KMS is implemented and monitored effectively and supported with social perspective of Knowledge Management.

3.2.1 The case study of Ebank

Ebank is a MNC organization which is located in more than 70 countries across the globe. The organization makes a lot of investment on IT tools. The organization calls itself the networked bank and IT software were installed for the effective management of knowledge. Each subsidiary of the organization in different countries had different systems for operations and different processes. The Ebank launched its Vision 2000 project, so that the knowledge management can be done and knowledge can be shared and transferred within the organization to its various subsidiaries. Also the top management in the organization felt that the knowledge resources were wasted in the organization and proper repository for storing and sharing the knowledge must be build. Hence, the organization decided to integrate the entire knowledge available in the organization to have a global portfolio for service. The organization focused on

developing the intranet so as to develop word wide communication internally (Adenfelt, Lagerstrom, 2006)

The organization launched the pilot project for the intranet which was centrally funded. The pilot project was done by IT specialist of the organization to manage the organizational knowledge. The pilot project depicted the benefits that can be availed by employees for sharing the knowledge through intranet. Divisions were persuaded to develop their divisional intranet on local level leaving the work of development of intranet and IT based KMS on local people and local funding in the organization. The objective espoused for the development of intranet so that knowledge can be shared across the geographical boundaries and the functional boundaries within the bank was hence not successfully achieved. It led to discrete and different local intranet projects developing more than 150 intranet sites with nobody able to understand the purpose and significance of these intranet websites. In fact these intranets provided local information and knowledge and that too with limits and constraints and provided limited knowledge sharing at even local level. For instance the IT department of the organization developed the iweb intranet to share the knowledge of IT functions, however the employees from other functional division had no significant idea of what knowledge was shared on the iweb intranet. It gave information about the schedule of company bus time table at different local sites on every 20 minutes as well, but this information was information that was already available to employees who needed it. Hence, iweb became a digital repository for information that was already available with people who required it. It was later ascertained by the organization that the intranet iweb had added no significance in knowledge sharing or increasing the performance of organization, in fact iweb did not make any significant knowledge sharing or improvement within the IT department of the organization. The lessons which the organization learned were not shared between the various functional divisions of the organization or even between the developers of intranet. The project teams in various subsidiaries of the organization spent time and money to develop local intranets only to later on find that other subsidiaries have also developed similar intranets.

This caused the problem of reinvention within the organization. Reinvention led to wasting of time and efforts by various subsidiaries of organization. The expertise was

also not shared between the various functional divisions of the bank including the IT and business management. Some intranets such as iweb had complex technical information to share, but had no relation to increasing the business performance or innovation. On the other hand some intranets provided knowledge that was important for business related innovation, but these intranets failed to achieve their objective due to lack of technical expertise. For instance, in one case an intranet due to failure of bandwidth required 20 seconds for turning one page. To attain the KM vision, the head quarters of the organization formed a committee for effective intranet steering within the organization and a global workshop for two days was planned and convened. It was realized that it is important that the various teams that developed the intranet project and the business managers that will use the intranet must meet to discuss the problems. But the meet failed severely as on the first day of meet, the business managers discussed various important cultural issues and knowledge sharing issues and left on the same day. The technical team discussed the technical issues for the development of common portal which can act as one stop shop for the knowledge repository and knowledge sharing in which all the intranets can be accessed from a common window. However, the inefficient planning resulted into negligible useful communication between the business managers and technical expertise. Hence, on reaching to individual subsidiaries each portal and intranet was developed to cater to the KMS need in different functional divisions of bank. The portals and intranet developed had little relevant information that could be conducive for innovation or improving the business performance of the organization.

3.2.2 Analysis of case study on Ebank IT based KMS

The more focus was laid on developing the technology rather than sharing the knowledge between the people. It would have been better if the employees were encouraged to share the cultural differences between the various subsidiaries along with sharing the differences in the business environment across various subsidiaries rather than just focusing on technology aspect of intranets for IT driven knowledge

management strategies. The organization failed to encourage the knowledge sharing across the various functional divisions and even within the department and division.

The focus on the technology ironically reinforced the functional and geographical barriers by electronic fences instead of breaking down the barriers. The implementation of the intranet system for knowledge sharing in fact further reduced the knowledge flow and knowledge sharing in the organization. The intranet just created knowledge silos series rather than encouraging the sharing of knowledge. The evidences suggest that it is common practice that many organizations focus on developing strong IT systems, intranets, software so that knowledge repository is formed which many times may have knowledge which is of negligible significance . However, these organizations fail to lay focus on sharing of knowledge that is relevant between the intern firm boundaries and between the various functional divisions of the organization. Hence, if the IT enabled KMS are not built effectively or if they are not supported by social aspects of KMS, then these IT enabled KMS may lead to mistrust, misinformation and turf wars. Hence, it becomes important for the organization to realize the importance of the implementation of social processes of KMS.

3.3.1Case Study on Knowledge Management at Volvo Group

Volvo is a multinational organization that is head quartered in Sweden. The principal products of the organization are buses, trucks, construction equipments. It also manufactures the marine drive systems and industrial drive systems. The revenue of the organization in the year 2010 was SEK 310 billion. The operating income of the organization in the year 2010 was SEK 27 billion. At the end of year 2011, the organization had more than 1,00,000 employees across the globe to sustains its operations and functions.

3.3.2 Discussions and Analysis on KMS strategies for Volvo

The Volvo group has the vision to be valued as the leader in providing the solutions for the commercial transport. The organization today has production facilities across 19 countries and sales of the organization are across 180 nations. The organization has more than 1,00,000 employees to support its global operations mainly at the locations of Sweden, Japan, France, USA, Brazil, China and South Korea. The product range of the organization consist of trucks, buses, aircrafts components, drive systems used in industrial and marine applications.

The organization has knowledge intensive and technology intensive business operations. The global operations of the organization make it mandatory that knowledge transfer and knowledge sharing in done effectively. Hence, it becomes important that the knowledge is shared and managed efficiently in the organization.

The organization Volvo uses the VSPA intranet portal for ICT enabled knowledge transfer. However, the promotion of the VSPA intranet is not done within the organization and hence most of the workers are not able to use the VSPA for knowledge transfer. Instead, the various subsidiaries have developed team place sites which are locally adapted and communicate the information that is available in VSPA. The information provision and adaptation of the team place sites is done by limited employees in the company.

These people become the gatekeepers for information to flow from team place site to VSPA intranet and vice-versa. Hence, the knowledge transfer from VSPA does not reach directly to the workers. However, the VPSA has significant role to play for the Volvo organization that it act as knowledge and information repository and hence knowledge can be stored and reused with the aid of VSPA in Volvo. The Volvo can ensure that the knowledge is transferred effectively across the inter-firm boundaries if social perspectives of knowledge transfer strategies are incorporated along with the IT approach of knowledge transfer.

3.3 Boundaries for Knowledge management in MNC organizations

This section of the report identifies the various boundaries that act as the barrier for knowledge transfer in the organizations. The effective knowledge management strategies can be implemented only when we understand the challenges created by various knowledge boundaries.

The knowledge sharing is basically done through either IT enabled KM tools or social perspective of Knowledge Management. However, both the approaches need to ensure that they can face the challenge that organizations face while the knowledge is shared or transferred between the various subsidiaries and between the various employees of the organization. While the knowledge is transferred within the organization it needs to cross the various boundaries. The social perspective of the knowledge is related to tacit knowledge whereas the IT driven knowledge transfer is related to the explicit knowledge and the knowledge that is codified. However, within the organizations there exist various boundaries which the knowledge transfer must cross to ensure that knowledge is transferred. The various inter firm boundaries for the knowledge transfer within the organization are Syntactic boundaries, Symantec boundaries and Pragmatic boundaries.

3.3.1 Syntactic Boundaries

The Syntactic boundaries are the boundaries that are related to the data transfer as in correct and precise form so that it is transferred to the repository and it can be availed and understood with ease. For instance the expertise situated in headquarter must ensure that the specification of the technical knowhow and basic technical knowledge must be transferred to the various subsidiaries of the organization. It is important the flow of knowledge and the communication between the various subsidiaries is effective.

The decisions and knowledge available at the headquarters must be transferred to the subsidiaries of the organization. The difference in the skills, competencies, experience, past background makes the syntactic boundary and inhibits the knowledge transfer across the subsidiaries (Hong, 2009).

3.3.2 Semantic Boundaries

The Symantec boundaries are the other form of boundaries which acts a barrier for the knowledge transfer. The semantic approach identifies that even if there is an existence of common language or syntax; the interpretations can be different and came make communication difficult. The differences in various aspects such as the organizational culture, national culture, labor markets leads to have individual different attitude and contexts. Hence, it is possible that employees in the head quarter of the organization and the employees in the various other subsidiaries will have different interpretations for the same knowledge. The organizational culture also has an important role to play and it is important that a unified organizational culture is formed so as employees do not resist sharing of knowledge and can have similar interpretations of the knowledge for information. Hence, it becomes important that the MNC organizations should implement methods and strategies so that employees across various subsidiaries can correctly and similarly interpret the knowledge. Various MNC organizations hence therefore many times identify what are the interpretations of each unit into an event; this tacit knowledge is then transformed into sense that is collective. The organizations also look for the dependencies between the various subsidiaries and notice the knowledge that is explicit and the knowledge is codified.

3.3.3 Pragmatic Boundaries

There are various boundaries that exist in the organization which are pragmatic in nature and they impede and inhibit the flow of knowledge within the organization. It is quite common that there may be differences in the personal interests of the various

subsidiaries amongst each other and with the headquarters of the organization as well. For instance the diversities of the culture between the various subsidiaries of the organization can lead to thin the managers of these subsidiaries differently and they may sometimes have different opinion or may even respond negatively to the practices that are followed by the headquarters of the MNC organization. The pragmatic boundaries within the organization hence creates barrier in the transfer of the knowledge. It is important that proper and effective communication is done between the various subsidiaries and the headquarters to ensure that the pragmatic boundaries can be crossed. The physical processes and the effective usage of social perspective can also aid in eliminating the pragmatic barriers in the organizations. Workflows and process maps also help the employees of the various subsidiaries in the organization to remove the potential pragmatic barrier for knowledge transfer (Riege, 2005).

3.4. Remedies for barrier of Knowledge boundaries

According to Hong (2009) The review of the various literatures available on the Knowledge, Knowledge transfer approaches and the boundaries for the knowledge transfer have illustrated the various challenges which the MNC organizations face while the knowledge is transferred from one place to other within the organization. It has been found that it is important that the IT driven KMS for MNC organizations is supported by the social perspective of the knowledge management. The MNC organizations must understand that there are various boundaries as illustrated above which inhibit the transfer of knowledge within the organization. There are some of the methods which can help the organization to ensure that these challenges and issues can be addressed by the MNC organizations as given below:

3.4.1 Centre of Excellence

According to Newell et al, (2003) Centre of excellence are one of the most important and vital instruments that are used by the MNC organization to ensure that the knowledge is transferred effectively across the knowledge boundaries. These centres of excellence help the MNC organizations to ensure that the effective coordination

between the employees of various departments is established. The centre of excellence also helps in developing common knowledge so that the knowledge can be shared between different departments, fields and subsidiaries of the MNC organizations. The centre of excellence for the MNC organizations may have expertise of the MNC organization who is expert in his field or it may have many individuals who are present in different subsidiaries of the organization to create the remedies for the problems related to knowledge management, knowledge sharing and knowledge storage so that it can be assessed and used when required. There are various important roles that need to be played effectively by the centre of excellence of the MNC organizations. It is identified that in a MNC organization, it is the subsidiaries which create the knowledge for the organization. The knowledge is created at these subsidiaries by the interaction of the subsidiary with the sellers, vendors, clients and other factors to which the subsidiary is exposed to in the business environment. The knowledge that is developed in one subsidiary can be significant for other subsidiaries of the organization as well. Instead of the reinvention of this knowledge in other subsidiaries, it is better that this knowledge is effectively shared amongst all the subsidiaries of the organization. The centre of excellence for MNC organizations are the divisions which aids the organization in transferring the essential knowledge from one subsidiary to other subsidiaries according to the requirement of case (Storey and Barnett, 2000).

Therefore the creation of the centre of excellence helps the organization in the transfer of the knowledge by crossing the knowledge boundaries and solving the issues related to knowledge transfer. For instance, the MNC organization can develop the centre of excellence across various subsidiaries to identify the pragmatic and semantic boundaries that exist as a barrier for the knowledge transfer within the organization. The pragmatic boundaries for the knowledge transfer can be crossed with the aid of center of excellence which creates and transfers knowledge with an equal standard for all subsidiaries. This will ensure that all the subsidiaries of the MNC organization interpret the knowledge in similar way and hence it will remove the pragmatic boundary of knowledge transfer. The semantic boundaries of the knowledge transfer can also be taken by centre of excellence as it can create a unified code of language for

organization or it can identify semantic issues and transfer the knowledge considering the semantic issues so that the knowledge boundary is removed (Newell et al. 2002).

3.4.2 Development of the transnational teams

The transnational teams can also help the MNC organizations to ensure that the issues related to the knowledge transfer and existence of inter firm boundaries can be effectively addressed. The development of the transnational teams can aid in transferring the knowledge across the various subsidiaries in the MNC organization. In the development of the transnational team, instead of recruiting a single subsidiary or the head quarter of the organization for knowledge transfer, a transnational team is built. There are huge differences in the environments of various subsidiaries, hence transnational team for the MNC organization is created from various subsidiaries and the team is appointed for the effective knowledge transfer within the organization. The transnational team consists of the employees from head quarters as well as from various subsidiaries of organization. The members who are appointed from the head quarters of the organization constitute the management of the transnational team and the member or group of members selected from other subsidiaries are known as the country managers. The country managers are responsible for the transfer of knowledge to their respective subsidiary. The country managers are also responsible for providing training and development programs to the employees of subsidiary. The country manager holds meetings with the employees from various departments in the subsidiary and ascertains their knowledge requirements and provides them with the access to the relevant information and knowledge. Hence transnational teams for the MNC organizations have emerged as an effective way to ensure proper knowledge management. The various problems associated with the knowledge management such as presence of knowledge boundaries such as pragmatic, semantic, syntactic can also be crossed with the aid of proper implementation and function of the transnational team (Orlikowski, 2002).

3.4.3 Socialization

The literature review of various researchers on knowledge management has identified that socialization plays an important role in knowledge management, knowledge transfer and knowledge flow in the MNC organization. The knowledge management and knowledge sharing in MNC organizations is linked to the mechanism of corporate socialization and good relationship between the various subsidiaries of the MNC. Corporate socialization mechanism plays a vital role in knowledge sharing and solving the various issues that are related to knowledge transfer. The MNC corporate socialization helps in developing shared values and understanding the mission and vision of the organization across various subsidiaries. Hence, socialization gives a sense of unity between the various subsidiaries of the organization and opens the door for knowledge sharing and knowledge transfer between the subsidiaries. The socialization helps the employees to understand the needs and background of other subsidiaries apart from their subsidiary. The socialization helps the employees feel localized to the organization instead of getting localized to the subsidiary. The socialization helps the employees in understanding the organizational culture and maintaining unified organizational culture across various subsidiaries. For instance, if employees working a subsidiary need an induction for a organizational process and knowledge of same process is available at other subsidiary, then socialization can help in transferring the knowledge to the subsidiary where the knowledge is required. The socialization can also be understood as developing a common organizational objective between the various subsidiaries (Tsoukas, Vladimirou, 2001).

The various socialization workshops across the various subsidiaries of the organizations help in knowledge transfer and developing a shared organizational objective and feeling of oneness within the organization. Hence, the socialization process helps in crossing and removing the knowledge barriers and ensures effective knowledge management.

Socialization also ensures that the headquarters and subsidiaries can form a closely tied relationship and have shared goals and objectives.

4. Conclusions and recommendations

4.1 Conclusions

Knowledge is the one of the most important asset of the organization. Effective transfer of knowledge in the organization helps the organization in attaining the competitive advantage. It becomes very important for the MNC organizations to ensure that the knowledge is managed and transferred effectively between the various subsidiaries of the organization. Knowledge whether tacit or explicit in nature should be effectively shared and transferred between the employees of the organization. The MNC organizations nowadays use the IT driven approach for the knowledge transfer. The knowledge management for an organization includes various factors such as knowledge creation, knowledge sharing and knowledge transfer and storing of the knowledge. It is important that all the aspects of the Knowledge Management are properly taken care by the MNC organizations. The MNC organizations must ensure that the required knowledge creation is done in the MNC organization according to the changing internal and external environment. Sharing of knowledge is also a very important aspect for MNC organizations, knowledge created or already available with the organization is significant only when the knowledge is shared and transferred efficiently in the organization. It is also important that the knowledge is stored in knowledge repositories to ensure that it can be assessed whenever required.

The knowledge can be transferred in the organization with the aid of IT driven approach of knowledge transfer and with the aid of social perspective approach of knowledge

transfer. With the advancement of technologies, the MNC organizations have laid a lot of emphasis on the IT enabled knowledge management strategies. Hence, many MNC organizations have developed intranet, data bases and software for the purpose of the knowledge transfer. These intranet and software are supposed to transfer the knowledge across various subsidiaries of the organization. The knowledge can be stored effectively in IT driven KMS, where the knowledge can be stored as repositories. However, it has been found that many times the knowledge is just stored as silos in these intranet and software and may not be accessed or used by the employees of the organization. It is because the employees of the organization may not have the technical knowhow about how to use these IT based KMS. Hence, it becomes important that organizations look for various strategies and steps that can help in increasing the awareness of IT based KMS strategies of the organization. Also, the employees of the organization must be promoted to use the IT enabled KMS. However, there is some knowledge which can be transferred only with the social perspective. For instance, the tacit knowledge which includes procedures and various activities can be transferred effectively with the aid of the social perspective of the knowledge (Ihlenfeld, 2007).

Hence, it becomes important that MNC organizations must realize that IT based KMS strategies have their own limitations and constraints and it is important that the importance and significance of social perspective of knowledge transfer is also realized. The MNC organizations must hence ensure that apart from the IT enabled KMS strategies, the social perspective approach of knowledge management should also be implemented and incorporated.

There are various boundaries that act as barrier between the knowledge transfers amongst the various subsidiaries of the organization. Hence, it becomes important that proper attention is laid by the organization to ensure that the knowledge is transferred from various subsidiaries across the knowledge boundaries. These knowledge boundaries are the barriers that exist in the path of knowledge transfer between the various subsidiaries of MNC organizations. The knowledge boundaries are basically pragmatic, semantic and syntactic in nature. The pragmatic boundaries are created due to differences in perceived goals and interests of various subsidiaries. The semantic boundaries exist in the MNC organizations due to differences in the interpretations of

the same knowledge by various subsidiaries. Knowledge transfers also face the syntactic boundaries that exist in the organization which are created due to differences in the skills, background and experiences of the employees in various subsidiaries. The MNC organizations must realize these barriers for Knowledge transfer that exist within organization and remedies to tackle these knowledge transfer boundaries and challenges for knowledge transfer must be implemented (Walsh et al. 1991)

The centre of excellence, transnational teams and socialization are the remedial solutions which can help the MNC organizations in crossing the knowledge boundaries and ensuring effective knowledge transfer. The centres of excellence are divisions of the MNC organization that have the responsibility to ensure effective transfer of knowledge between various organizational subsidiaries of MNC organization. The centre of excellence has the responsibility to identify the various barriers and boundaries that are present in the path of knowledge sharing and knowledge transfer. The centre of excellence then develops various strategies and implement these strategies to ensure that the knowledge is transferred effectively between various subsidiaries of MNC organization. The transnational teams can also be built by the MNC organization to ensure that the knowledge is transferred effectively between various subsidiaries of the MNC organization. The transnational teams of the MNC organization have employees from the headquarters of the MNC as well as from various subsidiaries. The members present from various subsidiaries in the transnational teams are the country managers for the subsidiary and are responsible to ensure the knowledge transfer in the employees of subsidiary. These country managers identify the knowledge needs of the employees in the MNC organization and provide them access to knowledge required. The socialization is also an effective remedy against knowledge barriers and knowledge boundaries and also promotes the unified organizational culture. With the aid of the socialization, knowledge can be transferred across various subsidiaries passing the knowledge boundaries and at the same time it encourages unity in the organization (Thomas et al, 2001).

Hence, in nutshell it is the need of hour that MNC organizations ensure that the social perspective of the knowledge management and knowledge transfer are also

incorporated along with the IT enable KMS. Also, the MNC organizations must identify the knowledge boundaries that prevail in the organization and must implement various remedial strategies such as centre of excellence, transnational teams and socialization.

4.2 Limitations of research:

The research was also constrained by the availability of time as the Knowledge management is vast topic and lot of secondary data and information is available on topic which should be given more time for proper assessment.

The research had the limitations that the research did not collect the primary data and research was based purely on secondary research.

4.3 Recommendations for future research:

The researcher also feels that there is a need of future research to identify the steps to promote the usage of social perspective approach of knowledge transfer by the MNC organizations. Also, research must be conducted on identifying the various strategies that can aid in increasing the awareness of IT enabled KMS in MNC organizations. The research must also be conducted for proper integration of IT approach of KMS and social perspective of Knowledge Management.

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