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## Standardization and Adaptation of Knowledge Processes in International Businesses

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# **Standardization and Adaptation of Knowledge Processes in International Businesses**

A thesis submitted in partial fulfillment of the requirements for the award of the degree  
Master of Management (Research)

From

University of Wollongong  
School of Management and Marketing

By

**Zhiyi Ang**

Bachelor of Business (Honours)  
Master of International Business

## **Certification**

I, Zhiyi Ang, declare that this thesis, submitted in partial fulfillment of the requirements for the award of Master of Management (Research), in the department of Management, University of Wollongong, is wholly my own work unless otherwise referenced or acknowledge. The document has not been submitted for qualifications in any other academic institution

Zhiyi Ang  
March 2006

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I would like to thank my parents for giving me the financial support to pursue this research degree in the University of Wollongong. Due to various reasons and the lack of opportunities, I am unable to continue and study for my PhD. I would hope to do so in the future.

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## Abstract

There is an ongoing debate on whether standardization or adaptation is more appropriate in international business. Knowledge Management is a relatively new discipline compared to other disciplines. In other disciplines such as strategy, marketing and human resource management there are well-developed theories on standardization and adaptation. This means that forces for standardization and adaptation were well developed in these disciplines.

In the current literature for knowledge management, most of them had concentrated on factors affecting knowledge management. Most of the current literature appears to ignore the effects of differences in countries. There are arguments on both sides on whether standardization or adaptation is more appropriate for international knowledge management. From the current literature there are four types of outcomes that can occur from international knowledge management which are appropriate standardization, appropriate adaptation, inappropriate standardization and inappropriate adaptation. However there is a lack of research and study on factors affecting the standardization and adaptation of international knowledge management. There is also lack of research on differences between the firms with the four different types of standardization and adaptation outcomes.

Much of the arguments about adaptation in international knowledge management had focused on cross-cultural knowledge management, which focused on the effects of national culture on knowledge management. There is also a substantial amount of research on factors affecting knowledge creation and knowledge transfer. Thus this research is also interested in finding out how differences in national culture could affect the knowledge creation and the knowledge transfer process. It is also interested in finding out how differences in national culture would affect factors that are important for knowledge creation and knowledge transfer.

For methodology this research has chosen to use a case study approach. Although both qualitative and quantitative questions were used in the survey, greater emphasis has been placed on using a qualitative approach. Thirty-one respondents were used in this research and they consist of respondents from various countries. Theoretical

sampling was used and only firms with an overseas subsidiary were selected. The responses were gathered by a variety of means which includes interviews from phones, emails, interview in person.

Some of the findings for this research include the following:

- 1) Forces for standardization include Global Strategy, centralized organization structure, organization culture and creative chaos, standardized approach towards international business, pressure for cost reduction, risk reduction, Industry of the organization, knowledge management is a new idea, minimal differences in national culture and national culture of headquarters.
- 2) Forces for adaptation include Transnational or Multidomestic strategy, decentralized organization structure, adapted approach towards international business and differences in national culture.
- 3) Differences in national culture have different effects on the knowledge creation process and the knowledge transfer process. Differences in national culture have the greatest effect on the knowledge creation process, Step 1: Sharing Tacit Knowledge. For the knowledge transfer process, differences in national culture had the greatest effect on Step 2: Implementation.
- 4) Some of the differences between the four different outcomes from standardization and adaptation are likely to be caused by differences in national culture and the firm's level of adaptation for the knowledge creation and knowledge transfer process.
- 5) Differences in national culture had an effect on factors affecting knowledge creation which are Care, managing conversations and job rotation. Job Rotation and the management of expatriates had an effect on the factors that are important for knowledge transfer. Some of the factors affecting knowledge transfer that are affected by differences in national culture include leadership, human resource management practices, absorptive capacity, source transfer capacity and desirability of Knowledge.

## **Publication from the Research**

The following papers and publications have been produced from the research reported in this thesis.

Ang, Z.Y. and Massingham, P. (2005). Factors affecting the Standardisation and Adaptation of Knowledge Management Practices, *9<sup>th</sup> Annual Waikato Management School, Student Research Conference*.

Ang, Z.Y. and Massingham, P. (2005), The Impact of National Culture on the Standardisation versus Adaptation of Knowledge Management, *Australia and New Zealand Academy of Management Conference*.

Ang, Z.Y. and Massingham, P. (2005). National Culture and the Standardisation versus adaptation of Knowledge Management, *Journal of Knowledge Management*, (Accepted for publication, date to be decided).

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