### СЕКЦІЯ 2 СВІТОВЕ ГОСПОДАРСТВО І МІЖНАРОДНІ ЕКОНОМІЧНІ ВІДНОСИНИ

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## PECULIARITIES OF THE AMERICAN, EUROPEAN AND ASIAN APPROACH TO KNOWLEDGE MANAGEMENT OF TNC

# ОСОБЕННОСТИ АМЕРИКАНСКОГО, ЕВРОПЕЙСКОГО И АЗИАТСКОГО ПОДХОДА К УПРАВЛЕНИЮ ЗНАНИЯМИ ТНК

#### **ANNOTATION**

The concept of knowledge management, which has become popular in the management thought of developed countries, has significantly changed the perception of traditional economic processes, bringing to the forefront the intelligence of employees and intangible assets of enterprises. The main economic prerequisite for the emergence of the need for "knowledge management" was the transformation of knowledge into a valuable market asset and the desire of enterprises and organizations to use it to enhance their competitive advantages. The current stage of development of society is characterized by a huge amount of accumulated knowledge, even in narrow subject areas. An interesting and paradoxical situation has arisen: on the one hand, an individual is not able to cover the whole mass of existing knowledge; on the other hand, humanity is constantly replenishing them in expanding volume with ever increasing speed. This causes an urgent need for the formation of a special methodology that will allow the search and use of new knowledge with lower heuristic costs while increasing the likelihood of achieving the goal. There was a need to manage the creative potential of the creators of new knowledge. Although the term "knowledge management" in recent decades has become very popular abroad, very often its categorical framework is vague - knowledge management is identified if not directly then by meaning and usage, with intellectual capital management, sometimes with R&D management.

**Key words:** knowledge management, American approach, European approach, Asian approach, performance of TNCs.

#### **АНОТАЦІЯ**

Концепція управління знаннями, яка стала популярною в управлінській свідомості розвинених країн, дозволила докорінно змінити уявлення про традиційні економічні процеси, виділивши інтелект працівників і нематеріальні активи підприємств. Головною економічною передумовою для виникнення потреби в «управлінні знаннями» було перетворення знань на цінний ринковий актив і прагнення підприємств і організацій використовувати його для зміцнення своїх конкурентних переваг. Сучасний етап розвитку суспільства характеризується величезним обсягом накопичених знань, навіть у вузьких тематичних областях. Створювалася цікава і парадоксальна ситуація: з одного боку, людина не в змозі покрити всю масу існуючих знань, з іншого боку, людство постійно поповнює їх у зростаючому обсязі зі збільшенням швидкості. Це обумовлено гострою необхідністю сформулювати спеціальну методологію, яка дозволить шукати і використовувати нові знання з меншими евристичними витратами, одночасно збільшуючи ймовірність досягнення мети. Виникла потреба в управлінні творчим потенціалом самих творців нових знань. Незважаючи на те, що термін "управління знаннями" став дуже популярним за кордоном за останні десятиліття, його категоріальні рамки часто нечіткі – управління знаннями ідентифікується, якщо не безпосередньо, з точки зору змісту та використання, з управлінням інтелектуальним капіталом, іноді з управлінням НДДКР. Перебуваючи на стику декількох наукових дисциплін і маючи яскраво виражений прикладний підтекст, управління знаннями набуло популярності серед економістів серед науковців, чиї дослідження були більш присвячені теоретичним основам концепції, а практикуючі менеджери, намагаючись впровадити у свої компанії конкретні інструменти управління знаннями, підвищити ефективність роботи підприємств, фахівців у галузі технічних наук, досліджувати створення необхідної інфраструктури інформаційно-комунікаційних технологій для формування процесів управління знаннями.

**Ключові слова:** управління знаннями, американський підхід, європейський підхід, азіатський підхід, результативність діяльності ТНК.

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Ставшая популярной в управленческой мысли развитых стран концепция управления знаниями позволила существенно изменить представления о традиционных экономических процессах, выдвигая на передний план интеллект сотрудников и неосязаемые активы предприятий. экономической предпосылкой возникновения потребности «управлении знаниями» послужило превращение знания в ценный рыночный актив и стремление предприятий и организаций использовать его для усиления своих конкурентных преимуществ. Современный развития общества характеризуется огромным объемом накопленных знаний даже в узких тематических областях. Создалась интересная и парадоксальная ситуация: с одной стороны, отдельный индивидуум не в состоянии охватить всю массу существующих знаний, с другой стороны, человечество постоянно их пополняет в расширяющемся объеме со все большей скоростью. Этим обусловливается острая необходимость в формировании специальной методологии, которая позволит вести поиск и использование новых знаний с меньшими эвристическими затратами при одновременном повышении вероятности достижения поставленной цели. Возникла потребность управления творческим потенциалом самих создателей новых знаний. Хотя термин «управление знаниями» в последние десятилетия стал очень популярен за рубежом, очень часто его категориальные рамки расплывчаты управление знаниями отождествляется, если не напрямую, то по смыслу и словоупотреблению, с управлением интеллектуальным капиталом, иногда с управлением НИОКР.

**Ключевые слова:** управление знаниями, американский подход, европейский подход, азиатский подход, результативность деятельности ТНК.

Formulation of the problem. Experts believe that there is no ideal management model since each company is unique. The firm should look for its own model. The factors that determine the choice of the management model include: firm size; product description; nature of the external environment. From the point of view of the latter factor, the following management models are distinguished: a model of rational intrafirm management in a calm external environment; management model in a fairly dynamic and diverse market; model in the conditions of dynamic scientific and technical progress; model of adaptation to spontaneously, unexpectedly arising under the influence of the external environment, problems. Firms are in the process of constantly searching for their management model. This is a continuous process, as the firm itself and the external environment are constantly changing.

Analysis of recent research and publications. The scientific analysis of the creation, dissemination, and implementation of knowledge at the TNC level and its individual theoretical and practical issues have been studied in works by D. Andrussen, N. Bonis, S.M. Klimov, R. Coase, B. Lev, B.B. Leontiev, L.I. Lukicheva, B.Z. Miller, I.V. Pronina, T. Stewart, R. Thyssen, and others. The problems of increasing the international competitiveness of TNCs in the

world market of knowledge were considered in the works of E. Broking, L.G. Glushko, V.Yu. Zubko, R. Kaplan, A.N. Kozireva, D. Norton, A. Pulik, M. Meloin, L.V. Postanagov, K. Sweeby, K. Taylor, L. Edwinson, and others. However, many scientific issues remain unresolved regarding the identification of the main elements of the new universal model of knowledge management of TNCs, which would include a strong interconnection of all the necessary components.

Formulation of the article. The main purpose of the article is to analyse the specific characteristics of the American, European, and Asian models of the knowledge management system.

Presentation of the main research material. Cross-cultural similarities and differences between the American, Japanese, European, Chinese, and Ukrainian approaches to knowledge management (hereinafter – KM) are clearly presented in Table 1, which considers such distinctive features as mission, mentality, ideal type, and embodiment of knowledge, mechanism, purpose, focus, strategy, process, means and metaphor of KM. Let us analyse different approaches to KM.

At the heart of the American approach to KM is the idea that knowledge, capital, and labour are strategic sources of stable competitive advantage for companies, industries, and for nations as a

Table 1 Cross-cultural similarities and differences among knowledge management approaches

Approaches to knowledge management					
Characteristic features of approaches to KM	American	European	Chinese	Japanese	Ukrainian
Mission	Succeed, which means exist	Get practical experience, so exist	Love and therefore exist	Study, then exist	Observe, which means exist
Mentality	Individualism	Constructivism	Group	Pragmatism	Dualism
The ideal type of knowledge	Knowledge-resource	Knowledge power	Knowledge relationship	Knowledge kindness	Knowledge relationship
Embodiment	Knowledge base	Agents of knowledge	Companies that create knowledge	Knowledge life	Knowledge experience
Mechanism of KM	Knowledge economy	Knowledge as discourse	Culture of knowledge	Management based knowledge	On the stage of formation
Aim	Benefits in the near term	Legitimacy	Long-term advantage	Wisdom	Tracking results is more important than goal setting
Focus	Explicit, coded knowledge	Situational knowledge	Hidden knowledge	Useful knowledge	Hidden knowledge
Strategy	Using again	Politization	Creativity of changes	Integration	Strategy of the reforms of approbation
Process	Rationalism	Design depending on the situation	Vision Emotion Trust Care	Context	On the stage of the formation
Facilities	Technologies of the market	Identity, meaning, participation, discussion	Socialization	WRS Model	On the stage of the formation
Metaphor	We tear those fruits that hang low	Tell the stories	Grow ba	We benefit for ourselves and the team	No one is indispensable

Source: created on the basis of [1, p. 399; 2, p. 91-100]

whole. In the United States, the main practical directions in the U.S. relate to the collection, distribution, reuse, measurement of already existing "coded" knowledge and information, that is, the compilation and use of the knowledge base. Practitioners study information systems as a means of collecting and disseminating "explicit" knowledge; companies measure the success of KM in terms of the size of profits from investing in knowledge. KM is formed in market conditions, with the application of concepts and terms of the market, and the main work falls on the shoulders of "knowledge manager" and its subordinates, thus, a great deal of accent is placed on the role of the individual. The American scientist R. Cole calls it "American competitive individualism." In the US, KM is conducted through technology, in the language of the economy, while social factors, power and conflicts are given little attention. KM is perceived as a new way of action, with a new rational look at the tools and systems, and not on people and processes. The main feature of the knowledge economy in the United States is precisely the processing of information. European and Asian approaches are completely different from the American one.

Thus, in the Japanese approach, unlike the American one, it is believed that the most valuable knowledge is the "hidden" knowledge contained in the personal experience of a person. The main emphasis is on creating new knowledge, which, in the long run, is a source of innovation. Creating new knowledge, being a dynamic process in which a person is included, cannot be controlled through command and control. On the contrary, new knowledge appears if a context is created for mutual understanding. In Japan, this context is called "ba" (translated from Japanese - a place). "Ba", a part of which is individuals, generates devotion to the idea, ideals, as well as relationships in which social interaction and creativity are important. Within the framework of "ba", knowledge is created according to the steps that represent the stages of transforming "hidden" knowledge into "explicit" and vice versa: socialization, externalization, combination, and internalization (the model SECI I. Nonaki and H. Takeuchi). The transformation of knowledge takes place in a spiral, up and down from individual to the group, to different levels of the organization, forming a network of interactions. The driving forces of "ba" and this transformation process are the culture of mutual trust and concern, "the culture of knowledge." As the philosopher Nishida says: "I love, and therefore, I exist." It should be noted that the dominant feature of the Japanese mentality is groupism, whose roots go deep into national traditions [3, p. 54-57].

The European approach is based on the philosophical ideas of such thinkers as M. Foucault, J. Habermas, M. Heidegger, F. de Saussure, C. Marx, and L. Wittgenstein. Knowledge is not considered either as an abstract mental substance or as a personal "conviction, confirmed by facts,"

but rather as "competing versions, histories." Thus, knowledge is constructed on the basis of the situation, depending on the "historical, socio-material and cultural context." The division of knowledge into "hidden"/"explicit" in the European style is not as important as in American and Japanese. The focus is on the fragile, multi-semantic, contradictory, rhetorical, and collective nature of knowledge, that is, the multiplicity of meanings is inherent in knowledge, which is one of the basic principles of deconstructivism. Knowledge and work related to them are considered discourses. Discourse is thought of as speech, inscribed in a communicative situation and, therefore, as a category with a more distinct social content. Discourse does not arise in a vacuum, it is not easy to describe it with the help of complex technologies, culture cannot always be an intermediary. Discourse arises in conditions where various levels of power, institutions, skill, and collective knowledge are interwoven. As a result, there is a need for a clear approach to conflict resolution, ensuring legitimacy. KM is a political discourse that helps individual groups of agents with the knowledge to create strategies and allocate resources [4, p. 45-49].

Chinese approach. Like 2000 years ago, the Chinese philosopher Confucius is still considered the conductor of the highest wisdom, because he collected, interpreted, and spread knowledge. Speaking in the modern language of KM, the Chinese thought too transcendentally and could not realize the market value of knowledge. "I study, it means I exist" - it is knowledge, according to ancient Chinese philosophy, is one of the main virtues and makes a person a man. Despite the fact that in Confucianism, the approach to knowledge and methods of knowledge was pragmatic, until the recent transformation of China into a socialist market economy of knowledge, knowledge was considered a virtue for attaining wisdom within oneself, that is, for cultivating oneself and managing the family and the state. When the Chinese realized that their old and new competitors had long been driving knowledge "in a new way," a new Wuli-Shili-Renli (WSR) concept was created, rooted in Confucius. It coexists with three aspects of knowledge management - the material and technical aspect (Wuli in translation means "objective existence"), managing the process of cognitive-constructive knowledge acquisition (Shili - human activity) and managing social and political relations between those who know (Renli - relations). In the Chinese approach, the main thing in KM is to provide all workers with methodology, techniques, and skills, create a flexible organizational structure, opportunities for communication, and then leave agents to create knowledge, share and apply them as it suits them. When taking these steps, the Chinese think least of all about the fact that there is knowledge, what are its typology and nature. The Chinese knowledge context described by the WSR model gives equal importance to

both technological and institutional dimension, making an obvious emphasis on integration. Chinese scientists are looking for an integrated approach that would synthesize technology, human knowledge, and institutional initiatives. The Chinese focus on context and relationships, not on objects and categories [5, p. 48–56].

Ukrainian approach. KM as science in Ukraine is now only beginning to attract the attention of researchers. Consider the cross-cultural features of KM in Ukraine (Table 1). Traditionally, there were several points of view about the types of Russian mentality, namely Westernism, Slavophilism, and Eurasianism. The influence of Westernism, which representatives were P.Ya. Chaadayev, A.I. Herzen, V.G. Belinsky, and others, was particularly strong among the intelligentsia and entrepreneurs who perceived some of the features of a purely Western mentality (desire for freedom, individualism, pragmatism, etc.).

Slavophiles (A.S. Khomyakov, I.V. Kireyevsky, K.S. Aksakov, etc.) believed that Russia has its own way of development, its own way of thinking, based on its originality, patriarchy, conservatism, and Orthodoxy. The basis of this mentality is the social form of management.

Eurasianism does not deny the influence on the Russian mentality of both the West and the East. From Asia, Ukraine has absorbed the form of group thinking – groupism, and from Europe – individualism. Groupism and individualism are two qualities that form the basis of the Russian mentality. However, in our country, groupism is very different from Japanese groupism, which is based on a high level of discipline, loyalty, and dedication.

In our country, verbal communication is of particular importance, and only during such communication, there is the exchange of "hidden" knowledge and the creation of new knowledge. Most people prefer to share knowledge orally - at meetings, in communities. Knowledge is considered to be deeply personal, intimate, and therefore, it is difficult to transfer them since Ukraine has not developed a culture of trust. The formation of mechanisms and controls for "explicit" knowledge is also difficult due to insufficient development of telecommunication technologies. The next obstacle to the development of KM in Ukraine is such a distinguishing feature as the preference for a short-term result of a long-term goal. One of the scholars wrote about this characteristic national feature. This feature is contrary to the strategic meaning of KM - increasing the intellectual potential in the long term.

In our country, an attitude towards a person is being shaped as a unique source of knowledge and experience. Unfortunately, many people still act and think according to the Stalinist principle "no one is indispensable." Attitudes toward knowledge as a non-alternative resource are only beginning to emerge in Russian practice; we are in the process of testing existing approaches and accumulating experience.

Analysing the similarities and differences between approaches to KM, we see that in the USA knowledge management is conducted through technology, in the language of the economy, while less attention is paid to social factors, power and conflicts. In Japan, the emphasis is on "implicit" knowledge, on the production of new knowledge, and technology is only a means to transfer and store it. The difference between the American and European approaches lies in the fact that Americans view politics, power, and conflict as harmful to the functioning of the organization: "if the struggle begins to determine who owns the knowledge, then the project is doomed." In the European approach, such questions are not too important, as well as the division of knowledge into "explicit" and "hidden". In China, the approach to KM is centralized and integrated, that is, it synthesizes technology, human knowledge, and institutional initiatives.

**Conclusions.** Experts believe that there is no ideal management model since each company is unique. The firm should look for its own model. The factors that determine the choice of the management model include: firm size; product description; nature of the external environment. From the point of view of the latter factor, the following management models are distinguished: a model of rational intrafirm management in a calm external environment; management model in a fairly dynamic and diverse market; model in the conditions of dynamic scientific and technical progress; model of adaptation to spontaneously, unexpectedly arising under the influence of the external environment, problems. Firms are in the process of constantly searching for their management model. This is a continuous process, as the firm itself and the external environment are constantly changing.

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