



## **Analysis of Knowledge Sharing Success in Multinational Firms: Organizational Culture Perspective**

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### ABSTRACT

This study explores the critical role of organizational culture in shaping the success of knowledge-sharing initiatives within multinational firms. As knowledge becomes a key competitive asset in the global business environment, organizations increasingly rely on effective knowledge sharing to foster innovation, improve decision-making, and enhance operational efficiency. However, in multinational contexts, differences in national and organizational cultures can significantly influence the willingness and ability of employees to share knowledge. Using a qualitative approach, this research examines case studies of selected multinational corporations to identify cultural enablers and barriers to successful knowledge sharing. Key findings reveal that supportive leadership, trust-based relationships, open communication channels, and a shared vision contribute significantly to knowledge sharing success. Conversely, hierarchical structures, fear of judgment, and cultural misalignment across subsidiaries often hinder knowledge flows. The study highlights the importance of fostering a culture that values collaboration, openness, and mutual respect across diverse cultural settings. Practical implications include the need for multinational firms to design culturally sensitive knowledge management strategies and invest in leadership development that promotes inclusive and knowledge-friendly environments. The findings contribute to both academic and practical discussions by demonstrating that knowledge sharing is not solely a technical challenge but also a deeply cultural one, requiring attention to the complex social dynamics within global organizations.

#### *Keywords:*

Knowledge Sharing, Organizational Culture, Multinational Firms, Cultural Barriers, Global Collaboration

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## 1. INTRODUCTION

In the era of globalization and a knowledge-based economy, multinational corporations (MNCs) face both challenges and opportunities in managing their intellectual assets[1]. Knowledge, both explicit and tacit, has been recognized as a strategic resource that supports long-term competitive advantage. One important aspect of knowledge management is knowledge sharing, which is the process of exchanging information, experiences, and expertise between individuals or organizational units. In the context of multinational companies, knowledge-sharing practices become more complex because they involve networks of organizations across countries with diverse cultural backgrounds, languages, and organizational structures.

Effective knowledge sharing enables companies to accelerate innovation, reduce work duplication, increase efficiency, and strengthen organizational learning. However, various studies show that many knowledge-sharing initiatives fail or do not reach their maximum potential, especially in multicultural work environments. One of the main factors influencing the success or failure of this process is organizational culture, which is a set of values, norms, and behaviors that prevail within a business entity and shape the way its members think and interact.

Organizational culture influences the extent to which employees feel comfortable and motivated to share their knowledge[2]. In multinational companies, the challenges become even more significant because national cultural differences also play a role[3]. For example, cultures with a high hierarchy orientation tend to create barriers in open communication, whereas more collective or collaborative cultures usually support the knowledge-sharing process better[4]. Therefore, a deep understanding of the dynamics of organizational culture in a global context is key to designing effective knowledge management strategies[5].

Previous research has extensively discussed the importance of technology, organizational structure, and incentives in supporting knowledge sharing[6]. However, cultural factors often still receive inadequate attention, even though culture serves as a social foundation that determines how individuals respond to the policies and systems implemented by the company[7]. Moreover, in multinational companies, culture not only refers to the internal values of the organization but also interacts complexly with the national, regional, and even functional cultures of each business unit[8].

The main objective of this research is to analyze how organizational culture affects the success of knowledge sharing implementation in multinational companies[9]. This study aims to identify cultural factors that act as enablers (supporters) or barriers (obstacles) in the knowledge-sharing process[10]. Through a qualitative approach with selected case studies, this research also aims to understand the actual practices and subjective experiences of employees in various organizational cultural backgrounds, as well as how companies respond to these challenges through managerial policies and strategies.

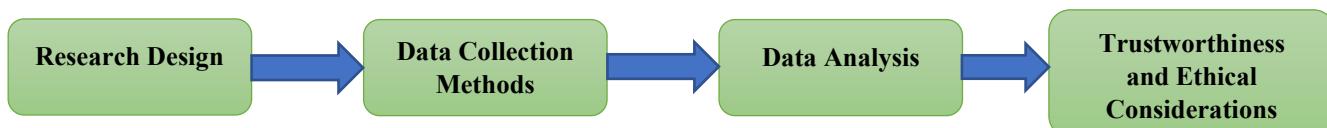
The choice to focus on multinational companies is based on the reality that these business entities operate in a highly complex and dynamic environment, where the success of knowledge sharing can determine the effectiveness of global innovation, market adaptation speed, and the achievement of cross-regional business goals. In this context, organizational culture is not only an internal aspect but also a strategic tool to unify vision and work practices across geographically dispersed business units[11].

By examining the role of organizational culture in knowledge sharing practices, this research not only contributes to the development of knowledge management and organizational behavior theories but also offers practical insights for managers and decision-makers in designing appropriate cultural interventions. This includes the development of an inclusive work environment, empowering leadership that supports collective learning, and the creation of work norms that encourage openness and mutual trust among employees from diverse backgrounds[12].

Overall, this article aims to emphasize that the success of knowledge sharing in multinational companies is not only determined by the tools and systems used but also heavily relies on the underlying organizational culture[13]. By understanding and carefully managing cultural aspects, companies can create a more conducive environment for knowledge transfer and sustainable global collaboration[14].

## 2. RESEARCH METHODOLOGY

This study employs a qualitative case study approach to investigate how organizational culture influences the success of knowledge sharing initiatives in multinational firms[15]. The qualitative methodology was chosen to allow in-depth exploration of social, behavioral, and contextual dynamics that are often difficult to quantify but crucial in understanding the interplay between culture and knowledge processes.



Picture 1. Systematic Framework

## 2.1 Research Design

The research follows an exploratory case study design, focusing on two multinational corporations (MNCs) operating across different cultural regions (Asia, Europe, and North America). These firms were selected based on their explicit knowledge management practices, diversity of employee backgrounds, and prior engagement in cross-border collaboration projects. The comparative case study approach allows the researcher to identify both shared patterns and culturally specific differences in how knowledge sharing is facilitated or hindered by organizational culture.

## 2.2 Data Collection Methods

Primary data were collected using semi-structured interviews, supported by document analysis and observational notes. A total of 24 in-depth interviews were conducted with employees from diverse hierarchical levels—ranging from top management to operational staff. The participants were selected using purposive sampling to ensure representation across departments, functions, and national cultures.

Interview questions focused on the following themes:

- a. Perceptions of knowledge sharing within the company
- b. Cultural norms and values that affect information exchange
- c. Leadership and communication practices
- d. Organizational mechanisms that support or hinder sharing
- e. Cross-cultural collaboration experiences

In addition to interviews, relevant internal documents (e.g., knowledge management guidelines, internal communication policies, cultural training materials) were analyzed to triangulate the findings and provide context for organizational practices. Informal observations from online collaboration platforms (e.g., intranet forums, Slack channels) were also recorded during the data collection phase.

## 2.3 Data Analysis

Data were analyzed using thematic analysis, following the six-step approach by Braun and Clarke (2006). Interview transcripts and documents were coded using NVivo software to identify recurring themes and patterns. The analysis focused on uncovering:

- a. Enablers and barriers to knowledge sharing
- b. Cultural constructs that shape employee behavior
- c. Organizational strategies that mediate cultural differences

Coding was both inductive (data-driven) and deductive (based on existing frameworks of organizational culture and knowledge management, e.g., Hofstede's cultural dimensions and Schein's model of organizational culture).

## 2.4 Trustworthiness and Ethical Considerations

To ensure trustworthiness, the study applied credibility, transferability, dependability, and confirmability checks. Member checking was performed by sharing summaries of interview interpretations with selected participants for validation. Peer debriefing with academic supervisors and industry professionals was also conducted to refine analytical interpretations. Ethical clearance was obtained prior to data collection. Participants were provided with informed consent forms, and anonymity and confidentiality were strictly maintained. No real names or company identifiers are disclosed in the reporting.

# 3. RESULT AND DISCUSSION

This study examined how organizational culture affects the success of knowledge sharing initiatives within multinational firms. Through a comparative case study of two global companies, findings revealed a complex interplay between cultural values, leadership behavior, communication style, and power dynamics that either enabled or hindered effective knowledge exchange.

## 3.1 Cultural Enablers of Knowledge Sharing

Organizational culture emerged as a central determinant of successful knowledge sharing. In both firms, locations with cultures characterized by trust, low power distance, and inclusive leadership exhibited more consistent and proactive knowledge sharing behavior.

In the European branches of both firms, notably in the Netherlands and Germany, a culture of psychological safety allowed employees to share ideas and mistakes without fear of judgment. This was reinforced by flat organizational structures and leadership that actively encouraged cross-functional collaboration.

Additionally, symbolic recognition such as awards, internal newsletters featuring knowledge contributors, and public praise during team meetings were effective in normalizing and promoting knowledge sharing as a desirable behavior.

## 3.2 Cultural Barriers to Knowledge Sharing

Conversely, knowledge sharing faced significant challenges in offices located in high power distance cultures such as Indonesia and Brazil. Employees expressed hesitancy to share information openly, especially when their ideas could contradict those of their supervisors. The hierarchical mindset led to knowledge being concentrated at managerial levels, impeding horizontal knowledge flows.

Another barrier identified was knowledge hoarding—a behavior where employees intentionally withheld expertise out of fear that sharing would make them dispensable or weaken their competitive edge internally. This issue was more prevalent in departments with low trust and weak leadership support.

Language differences also played a subtle but impactful role. In locations where English was not the first language, employees preferred asynchronous forms of sharing (e.g., written reports, recorded discussions), avoiding real-time meetings where linguistic fluency might be an issue.

### 3.3 Summary of Findings

The table below summarizes the enabling and inhibiting cultural factors that influenced knowledge sharing across both firms:

**Table 1.** Summary of Cultural Influences on Knowledge Sharing

Cultural Factor	Impact on Knowledge Sharing	Observed Contexts
Trust and Psychological Safety	Enhances openness and willingness to share knowledge	Germany, Netherlands, USA
Leadership Modeling	Encourages sharing through visible behavior and communication	Singapore (Company A), UK (Company B)
Power Distance (High)	Inhibits open dialogue, restricts upward knowledge flow	Indonesia, Brazil
Knowledge Hoarding Behavior	Limits sharing due to fear of losing expertise	Technical units with high individual autonomy
Language Barriers	Reduces participation in real-time discussions	Southeast Asia, Latin America
Symbolic Recognition	Reinforces positive sharing behavior and organizational norms	Quarterly awards, team acknowledgments (Company A)

### 3.4 Discussion

These findings reinforce the notion that knowledge sharing is a culturally embedded process—not merely a technical or procedural one. While both companies had similar technological platforms and formal knowledge management policies, the real practice of knowledge sharing diverged widely across locations due to cultural influences.

The success of knowledge sharing initiatives was highest in units where leadership actively promoted learning, where communication was inclusive, and where employees perceived psychological safety. This aligns with Schein's model of organizational culture, which emphasizes that shared assumptions—particularly around hierarchy, openness, and recognition—play a pivotal role in shaping behavior.

Moreover, the results confirm previous research that technology is not a cultural equalizer. Rather than correcting cultural discrepancies, digital platforms often reflect and reinforce existing norms. In open cultures, tools like intranets, chat channels, and wikis become lively hubs for sharing; in hierarchical or low-trust cultures, they remain underutilized.

Therefore, it is essential for multinational organizations to adopt localized strategies that recognize the cultural realities of each region. This includes adapting leadership approaches, incentivization systems, and communication formats to better align with local values while preserving core organizational goals.

## 4. CONCLUSIONS

This study has demonstrated that organizational culture plays a fundamental role in determining the success of knowledge sharing within multinational firms. Despite the availability of advanced knowledge management systems and formal procedures, the actual effectiveness of knowledge sharing is largely influenced by informal, cultural dynamics such as trust, power distance, leadership behavior, communication styles, and recognition practices. The findings reveal that trust and psychological safety are among the most critical enablers of knowledge sharing. In organizational environments where employees feel safe to express opinions, admit gaps in knowledge, and challenge ideas, knowledge flows more freely across teams and levels. Similarly, leadership that models sharing behaviors and creates opportunities for open dialogue contributes significantly to building a knowledge-friendly culture. Conversely, cultural factors such as high power distance, fear of knowledge loss, and lack of symbolic recognition emerged as major barriers. These dynamics create a climate where employees are hesitant to share, particularly in hierarchical settings or where knowledge is closely tied to personal job security. Importantly, the study highlights that culture is not uniform across global operations. Multinational firms must move beyond standardized, one-size-fits-all knowledge strategies and instead develop localized

approaches that are sensitive to regional cultural values. Only by integrating cultural awareness into knowledge management practices can organizations fully harness the collective intelligence of their global workforce.

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