

# Knowledge management problems under conditions of using international consulting workforce

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## Способы повышения эффективности управления знаниями в условиях использования интернациональных консалтинговых услуг

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**Abstract:** *use of international consulting workforce has been trending through the last decade due to increase in quality and experience in projects. International consulting workforce helps companies stay cost-efficient and maintain compatible though it decreases the level of knowledge integration among project team members and, sometimes, can cause even spending more money on a project due to misunderstandings and inability to interact with people from another company. Trend of using international workforce is growing and in this situation it is necessary to define the ways to improve knowledge integration among project team members working in different countries.*

**Аннотация:** *случаи использования в рамках проекта интернациональных консультантов возросли в течение последних десяти лет в связи с повышением качества и опытной составляющей в случаях такого использования. Использование интернациональной рабочей силы позволяет компаниям оставаться рентабельными и конкурентноспособными, но в то же время уменьшение уровня интеграции знаний в таких проектах может привести к избыточным и незапланированным тратам в связи с недопониманием и невозможностью взаимодействовать с членами проектной команды из другой страны. Тренд по использованию интернациональной рабочей силы продолжает расти, поэтому, в данной ситуации, необходимо определить механизмы управления знаниями, необходимые для улучшения интеграции знаний в проектах, члены проектной команды которых работают в разных странах.*

**Keywords:** *international consulting workforce, knowledge, knowledge management, consulting, offshore consulting.*

**Ключевые слова:** *интернациональные консалтинговые услуги, знание, управление знаниями, консалтинг, оффшорный консалтинг.*

There are two important reasons for using international workforce: work and system experience that is found only in another countries and transfer of some operations to places with lower labor costs. In consulting industry use of international workforce create a possibility of charging less costs from clients and keep high margin [5]. There are a lot of example of using international workforce in consulting context. Major consulting, especially technology consulting companies have one or more delivery centers that are placed in another countries and consist of usually more than two hundred employees. This delivery centers are placed in countries with lower labor costs and they usually only provide technical support for existing projects and not used for system integration purposes. People in delivery centers have a lot of experience in system development[1], even in specific system development that can be incredible rare and not used in projects in home country only because of lack of knowledge integration mechanism and borders that exists in integration workforce context. Another type of using international workforce is used when a consultant with specific knowledge is not present in a country of consulting project, but is hired in another country. In this type of using international workforce there are some knowledge integration mechanisms in place and possibilities to overcome existing boundaries but those solutions are expensive for projects [7] and necessity of using them sometimes results on not using international workforce at all and leads to less quality of the project. To summarize, there are a lot of advantages of using international workforce: cost-saving, different time zones, increased quality of projects, implementing more internationally accepted solutions. Also there are a number of boundaries that prevent from using international workforce [6]: cultural difference, cultural background, personnel turnover rates, different time zones, language differences, geographical dispersion and many other challenges that consultants face today. It is also very important to say that Russia is one of the countries with low labor costs nowadays and some companies already moved part technology centers on Russian territory. Russia also is a country that has experienced consultants and can provide them to work for projects abroad. Due to this factors it is important to analyze how it is possible to overcome existing barriers and become more involved in international consulting.

### *Barriers for using international consulting workforce*

The amount of challenges that consultants face with international workforce is very high, but some of them are clearly defined and are more common regardless the country of origin.

Working in different time zones is considered as advantage and disadvantage of using international workforce. In consulting nowadays it is a rule to have a technical help for clients whenever it occurs. Any time help is a strong advantage that helps to win projects, but managers of the projects have to be certain that international workforce have all information that they need to solve the problem on client's side [9].

Cultural background is one of the big challenges not only because it doesn't help to build nice and trustful relationships between colleagues but also because it can end up with misunderstanding [2] and errors in a process of

working on project and in some case on a necessity of redoing the same task twice and spending more time on it then was expected and planned.

Language differences can create misunderstandings and errors in project process the same as geographic dispersion and inability to meet not virtually but in the office. Companies tend to work harder on knowledge integration with those countries that are less close to their home country [8].

#### *Possibilities of knowledge management mechanisms*

Knowledge Management as distinct field of management, started to gain attention in the last two decades. In raw terms, information, such as this in any newspaper or news broadcasting channel can be considered as a message sent and understood by a recipient. On the other hand, knowledge is the psychological result of perception, learning and reasoning. Moreover, Knowledge Management also takes into consideration the appropriate use of knowledge as a mean to create value in an organization. Building upon this idea, any organization that deals with a changing environment in a dynamic way has to be able to create information and knowledge, but the creation is not enough, therefore this knowledge needs to be managed and used appropriately in order to be of value to the organization [3]. A different perspective of knowledge management is to see it as a set of techniques that are applied in an organization. In this matter [4] relates knowledge management to the efforts that an organization undertakes to encourage individuals to interact and work together on projects, and to share their ideas on a regular basis. His perspective also takes into consideration that systems are needed to codify the knowledge of individuals, in order to make it accessible and potentially useful for others within the organization. Mechanisms of knowledge management that can be used in international workforce context are described below.

Short-term visits to home country of the project or short-term visits to the country of international workforce. Short term visits are efficient in long-term projects when they last more than one week and help members of the project to know each other. Short-term visits does not include education and training process but do include working together during some project phase. Short term visits can help in transferring not only formal knowledge that can be transferred through different sources but, what is more important, helps to create informal knowledge for international workforce.

Permanent presence of international worker in home country of project. This mechanism is the most expensive one but it can help international worker to fully understand the context of the project and the context of transferring knowledge and the work ethics that is used in home country of the project. International worker can than transfer his knowledge to another workers in his home country and quickly solve arising questions. He can also address questions to right person during project due to understanding of functionality that every person of the project is responsible for.

Project meetings outside the office also help to build trustful relationships between project members and are mostly used in the analysis phase of the project when project team is newly formed.

Information technology support that allows project members to create and edit documentation online that in is essential for saving time purposes. Editing documents online can be used worldwide to build an accessible knowledge base which is essential for sharing formalized knowledge among project members. Also information technology support can be used to participate in audio and video conferences and have a fastest possible solution for issues during project.

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