How can knowledge sharing reduce barriers for entering the Chinese market?

- A study on Business Region Kristiansand China Forum

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Abstract

The paper is researching what challenges Norwegian businesses face when entering the Chinese market, and how Business Region Kristiansand through knowledge sharing can promote Norwegian businesses in China. In addition, this paper examines how knowledge sharing is executed at Norwegian businesses in Kristiansand, and the value this create.
During the 19^{th} National Congress of the Communist Party of China, President Xi Jinping stated that China is going to become more open towards foreign businesses. In addition, China will become more globally involved, which is also stated in the 13^{th} Five-Year Plan. This new direction for China can lead to more opportunities for Norwegian businesses.

This study has focused on a mixed method approach, with the main approach being a qualitative method, with semi-structured interviews to conduct the research. The respondents were managers at local businesses in Kristiansand that have interest in Business Region Kristiansand China Forum. In addition, there have been executed shorter interviews with other managers and experts. The findings showed that there was performed a high degree of knowledge sharing in the organizations, and that the level of knowledge sharing created added value. Most of the respondents had a clue on the difficulties of doing business in China, but the specifics could be perceived as vague. Therefore, China Forum can be of great need for local businesses in Kristiansand that wants to enter the Chinese market, where this forum can bring valuable knowledge on how to reduce barriers and challenges of entering the Chinese market.

Key words and terms:
Government, Culture, Corruption, 13^{th} FYP, 19^{th} CPC National Congress, Market entry barriers, Challenges, Knowledge, Knowledge Management, Knowledge sharing, Knowledge creation, BRK, and China Forum.

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This last semester writing our master thesis have been intensive, but also very interesting. Looking into China Forum as part of helping local businesses in Kristiansand moving into the Chinese market was something that intrigued us. Therefore, we would like to thank Øyvind Laderud in Kristiansand municipality for making this master thesis possible.

We would also like to thank our respondents for taking time to be interviewed as part of our master thesis. All the respondents were open and willing to give us the information we needed, so we greatly appreciate their participation for this master thesis.

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Table of Contents

Chapter 1: Introduction

During the Fall semester of 2017, we were both following the exchange program at UiA, which consists of part time internship, part time education in Guangzhou, China. During that semester, we were introduced to the concept of "Knowledge Management" at the local university. One of the internships were at the Royal Norwegian Consulate General in Guangzhou, where we observed a constant need to increase business relations between the two countries (Norway and China). These points are the basis for our chosen topic of how Knowledge Management can assist with increasing business relations between Norway and China. Further exploration of this theme put us in contact with Kristiansand municipality and Business Region Kristiansand (BRK). BRK is currently working on China Forum to increase relations between Kristiansand and China.

According to Argote & Ingram (2000), the competitive advantage is moving away from the physical product, towards the knowledge contained within the organization, regarding Knowledge Management theory. The technological advancements in all markets today have ensured that the customer is unable to realize potential needs. Companies need to increase knowledge of their market, and relevant knowledge pertaining to their product, infrastructure, management, and resources. Knowledge within these parameters ensure that an organization can evolve dynamically, by managing their knowledge.

Building on Knowledge Management is the under dimension "knowledge sharing". Knowledge sharing is an underestimated practice from organizations. As many organizations have tried to transfer internal knowledge within the different departments of the organization, but have been unsuccessful, and have therefore introduced motivation schemes to encourage the sharing of knowledge between employees Hejase et al. (2010). According to Suciu et al. (2010), as cited by Hejase et al. (2014), the sharing of knowledge is directly connected to motivation, and a motivational management is required to create a sustainable competitive advantage. Hence, the utilization of knowledge sharing will lie at the core for future competitive advantages in the internationalized business environment.

The Chinese market has many differences from the Norwegian market, which makes it important to be aware of and try to reduce barriers and challenges when entering a new market. In this research we will identify barriers and challenges in the Chinese market. Through this information it is easier to understand what type of knowledge is required to help reduce risks of entering the Chinese market. According to Morschett, Klein & Swoboda (2010), there are four external factors to consider when entering a new international market; (1) country risk, meaning country specific factors that affect the entry; (2) legal restrictions, meaning the governments, institutions, and regulations that affect the market and market entry; (3) market size; and (4) market growth. To answer the first two factors, existing and previous knowledge from businesses that have entered and done business in China can help reduce the barriers for Norwegian business that are interested in entering the Chinese market. We have identified six barriers when entering the Chinese market; cultural understanding, moving too quickly, cost of doing business, economic stagnation, the role of government, and corruption (Martinez, 2017). We have categorized these six barriers into three factors: Culture, Governmental Influence, and Doing Business in China. To understand these barriers in context we have analyzed secondary data from the European Chamber of Commerce in China (ECCC) and business ranking from the World Bank. The last two factors when entering the Chinese market will be analyzed through the 13th FYP, the 19th CPC National Congress, and the ECCC.

1.1: Research question

With guidance from our supervisor, we contacted Øyvind Laderud in BRK. Øyvind informed us of their China Forum project. The object of this project is to create a forum where Norwegian businesses in Kristiansand can share knowledge, with the purpose of increasing business and society by exploiting the Chinese market, which brings us to thesis question:

“What strategy should BRK implement to increase
business relations with the Chinese market”

Knowledge Management is a large subject, so the research will be looking at knowledge sharing (which is one of the core dimensions of Knowledge Management). To answer the purpose of this research, we need to find out if Norwegian businesses currently use a form of knowledge sharing, and to what extent this brings added value. We need to find out why BRK should create a knowledge sharing community, what value BRK can provide a community when entering the Chinese market, and how such a community should be created.

Research Question 1:

Are Norwegian businesses aware of the value knowledge sharing creates?

Knowledge sharing will be explained further in the theory chapter. We want to find out if Norwegian businesses are aware of knowledge sharing, and what the value of it is. By knowing the value of knowledge sharing, the willingness to share will increase. This research question allows us to identify what Norwegian businesses know about the value in sharing knowledge. This will make strategy planning for creating a knowledge sharing platform more in-tune with the needs of the customer – which in this case is Norwegian businesses operating in Kristiansand, with an interest in the Chinese market. This means BRK will know what the need is and make it easier to target their services accordingly. Gathering the data for this research question will be done by interviewing the businesses, and experts in the Chinese market.

In this research question we have used a literature study, and Knowledge Management theory to identify the success factors of knowledge sharing, which will be further explained in the theory chapter. These factors will be the guideline for the interviews.

Research Question 2:

Why should BRK China Forum facilitate a community of Norwegian actors that share knowledge?

Entering a new market is usually accompanied with barriers and challenges, which we aim to identify. This will help BRK China Forum to understand what types of knowledge should be shared to assist Norwegian businesses in entering the Chinese market. This will also answer the question of why such a community should be created. To answer this research question, we will use secondary sources, literature searches and expert interviews. The secondary sources will consist of the "Doing Business Ranking" from World Bank (2018), and the European Chamber of Commerce survey (2017).

Research Question 3:

How should the BRK China Forum facilitate a community of Norwegian actors that share information?

With this research question we hope to identify what specific actions BRK should implement in order to facilitate the China Forum in Kristiansand. This will be of relevance for BRK China Forum on how to make progression, as well as getting an overview of the needed actions required to succeed with China Forum. The research question will be answered by understanding the combination of the two previous research questions. In addition, we will take advantage of the expert's recommendations and information.

1.2: Concepts

In this sub chapter, we introduce the relevant concepts we have used to answer the research questions.

1.2.1: Business Region Kristiansand

BRK is a public organization centered in the Southern city of Norway, Kristiansand. BRK connects the local businesses, academia, and the local community, with the purpose of increasing business and cooperation both locally and internationally. Creating networks with foreign actors can promote business and academic relationships, increasing knowledge, business, and opportunities in the Southern regions of Norway. BRK is currently working on facilitating opportunities in the Chinese market through their newly established China Forum. Øyvind

Laderud states that: *BRK is looking to increase business relations with China, to; provide a new market, increase employment, and incubate innovation and entrepreneurship.*

1.2.2: China Forum

China Forum is part of a project the BRK is currently working on. The purpose of China Forum is to make the Chinese market accessible to small and medium sized businesses in Kristiansand. The project is looking to make Kristiansand and its resources attractive to Chinese investors. The idea behind China Forum is that sharing knowledge and information between actors in Kristiansand will help make market entry into China "easier". The municipality in Kristiansand is actively working on creating a mutual partnership with a Chinese city or region. The object is to increase diplomatic conversations to help aid business and academic relations. The municipality in Kristiansand has identified the industries with the most relevance to the Chinese market; tourism, health sector, education and research, renewable energy, waste disposal, and consumer brand. Some of these sectors are the same as the sectors mentioned in the 13th FYP.

1.3: Relevance

The relevance of this master thesis lies in the increased focus on knowledge sharing, and Knowledge Management. Also, the increased globalization of China, as we can see through their Belt and Road Initiative, implemented during the 19th CPC National Congress, which will open China to South Asia, Africa, and Europe.

China is going into an economic shift, from high-growth to a more sustainable economy. China has told the world how they will do this, through the previously mentioned 13th FYP, which is for the period 2016-2020. There are three main goals for the 13th FYP. First goal is to increase welfare. The second is to increase the economic competitiveness, through increased focus on innovation, coordination between regions, sustaining the environment, improving openness towards international trade, and knowledge sharing. The final goal is to support local industries in areas that can compete on an international level.

Chapter 2: Challenges ahead of Norwegian business in China

According to the World Bank (2018), China is the second largest economy in the world, and the fastest growing economy in the world. China has a forecasted GDP growth of between 6 and 6.5, and a population of 1.3 billion. China had a GDP of 11.2 Trillion USD in 2016 (World Bank, 2017). The Chinese market is huge, and it is important to understand how business is done in China. We are taking a close look at the challenges of doing business in the Chinese market, and the Chinese strategy for the future.

2.1: Barriers when entering the Chinese market

According to Martinez (2017), there are six challenges to be aware of when doing business in China. These are; cultural understanding, moving too quickly, cost of doing business, economic stagnation, role of government in business, and corruption. Understanding these barriers can help reduce the risks when dealing with the topics in the "Doing Business Ranking". As aforementioned, we have recategorized them into the following three barriers: Culture, Government, and Doing Business. These barriers are used to understand what BRK and businesses entering the Chinese market should be aware of or should share knowledge about.

Operating in a foreign market, it is important to understand and practice culture and customs. Martinez (2017) states that it is important for Chinese businessmen to uphold certain customs like; giving/receiving gifts, accepting invitations, acknowledge position and status, and show a genuine interest in local culture. Another important cultural aspect is the concept of "face", which is the individual's reputation, status, and feelings of standing within the workplace, family, friends and society (Martinez, 2017). Another cultural difference is the sense of time aspect. It is important for Chinese businessmen to develop a relationship with the person they are doing business with, more so than the actual contract. Differences here lies in the western world being more short term in business deals and the expediency of business dealings. Chinese people are more long-term oriented, where business negotiations are preferably long-termed, and business meetings spend more time, in order to follow a longer decision-making process, and also as mentioned to develop a relationship with their business partners.

Dealing with a government from another culture brings its own difficulties (excluding the cultural differences). First, we see a change in the Chinese economic strategy, as China is investing in infrastructure and institutional changes to adapt to their new strategy, and more than half of the investments have decreased more in value than it provides (Martinez, 2017). In addition, 76% of Chinese assets are state-owned, (Martinez, 2017). Meaning that doing business in China will most likely involve doing business with the Chinese government, which makes the state of the government an important factor to consider, in terms of how the relevant industry is regulated, how the government (in practice) handles business with foreigners, and how people's rights are protected. Corruption is also a barrier in the Chinese market. President Xi Jinping (2017) said: "We should not just mechanically copy the political systems of other countries", which means that foreign businesses operating with the parameters set by western governments will have to adapt, or at least be aware of the differences in government and regulations. Because the Chinese government owns most of the Chinese assets, they can regulate the market to increase its own value. In these situations, corruption can be a barrier when doing business in China. However, China has begun "cleaning house", implementing institutions to battle corruption.

As China is moving from a low-cost production-oriented strategy towards an innovative high-tech strategy, the salary levels will increase, and cost of training a qualified workforce will increase the cost of doing business in China (Martinez, 2017). This means the opportunities will increase, but so will the costs. Identifying the cost of doing business in China, we look at the "Doing Business Ranking 2018" from the World bank for the specific procedures and what it will cost, both in time and money. When considering a new market in a new country, it is important to educate oneself to the local way of doing business. Table 1.1 in the Appendix is a side by side comparison of China (overall ranked 78th) and Norway (overall ranked 8th), looking at the differences in doing business as ranked by the World Bank. The business ranking will give us an insight into procedures, time and money required to establish a business in China. It will also give an insight into how the legal processes and protection of businesses work.

2.2: Future strategy of China

Looking at the strategy of china will give an overview of how the Chinese market may look in the future. In this part we will be looking at the strategy in the coming years by introducing the 13^{th} FYP, 19^{th} CPC National Congress, and the Greater Bay Area.

2.2.1: 19^{th} CPC National Congress

The 19th CPC National Congress was concluded by the central committee of the Communist Party of China, held from 18-24^{th} of October in 2017. The 19^{th} CPC National Congress sets the policy direction for China for the next five years or longer. Particularly the constitution, laws and political theories are affected. The CPC National Congress in China can give an overview of how China will change in the coming years. It will show how China intends to change institutions to accommodate their plans. It will affect how China regulates internally, and how it operates externally. During the congress President Xi Jinping set forth that China will eliminate outdated policies and institutions and adapt internal processes towards being more globally oriented. President Xi Jinping (2017) stated in his speech at the 19^{th} CPC National Congress;
"openness brings progress for ourselves, seclusion leaves one behind. China will not close its doors to the world, we will only become more and more open". He went on to say “our economy has moved from a stage of high growth to a stage of high quality growth” with innovation being the driving edge to make this happen. This means China is moving from a low-cost production country, towards a high-tech innovative country in the future. President Xi Jinping wants to reinvent “made in China” to mean new high-technology innovations that will help China with becoming sustainable in the environment, and economy.

2.2.2: 13^{th} Five-Year Plan

13^{th} FYP is for the period 2016-2020. There are three main goals for the next five years, as we mentioned earlier. The first goal is to increase social welfare by increasing GDP per capita and reduce poverty. The second goal is to increase the province economic competitiveness, by focusing on innovation, coordination between regions, environment, openness for internationalization and sharing of knowledge. The last goal is to support and improve industries with international competitiveness.

China plan on further investments into high-level education, wanting to create top of the line universities, while also strengthening education in rural areas for younger children. The 13th FYP promises that China will be more environmental friendly. Support for start-up businesses is a high priority for the future of the country. China wants to create better supporting incubators for start-up businesses, by creating industry zones/towns that focus on high-tech development and research to incubate for the future innovative new start-up businesses. The local government also encourage both foreign and private actors to invest in these areas., and the following industries:

- Next generation IT
- Numerical control tools and robotics
- Aerospace equipment
- Ocean Engineering equipment and high-tech ships
- Railway equipment
- Energy saving and new energy vehicles
- Power equipment
- New materials
- Medicine and medical devices

Chapter 3: Theory

In this chapter we introduce the theory relevant to the research purpose and research questions. To introduce knowledge sharing, we first must give a brief introduction to Knowledge Management. The theory moves on to explain knowledge sharing and the success factors of knowledge sharing. Lastly, we will explain country specific challenges.

3.1: Knowledge Management

Knowledge Management has become a more common concept during the last decade, and it is not without reason. Articles have been written on Knowledge Management for a long time, but it was first in the beginning of the 90's that it made a turnaround and got more attention. Academics like Nonaka, Takeuchi, and Davenport are all regarded as one of the most influencing authors bringing Knowledge Management up to light. But what is Knowledge Management? Many authors have tried to come up with explanations describing what it is about, and there have been a variety of different description throughout the years. According to Nonaka & Takeuchi (1995) Knowledge Management is the administrative task of managing the different processes of creating, storing, sharing and applying knowledge.

3.2: Benefits of Knowledge Management

Through the last decade, a vast amount of different organizations has showed their interest in Knowledge Management, trying to capture knowledge and managing it to gain competitive advantage. According to Alavi and Leidner (2001), Knowledge Management is encouraging the people and organizations to become more innovative and responsive, giving them competitive advantage. In the market today where the competition is fierce and unstable, volatile to shifts made by innovation and where products have a much shorter lifetime due to hard competition, the only sure thing to gain and sustain competitive advantage is through knowledge (Nonaka, 1991). Nonaka (1991) also found out that successful Japanese companies maintained their power in the market because they were able to respond quickly to their customers and develop new products that would satisfy their needs. Therefore, successful organizations are those that can manage the creation of new knowledge.

In terms of sustainable advantage, Davenport and Prusak (1998) express that having a knowledge advantage is sustainable because it generates increased returns and continuing advantages, unlike material assets. Material assets decrease in its value when used, while assets of knowledge increase the value when used. Thus, encouraging employees to share knowledge is the main goal for companies that focus on gaining sustainable advantage, when using knowledge sharing.

Companies also need to have a working Knowledge Management system (KMS) to store knowledge. Knowledge is passed around individuals and in the working society every day and therefore storing knowledge is not without its complications. But, having a tool for storing knowledge is crucial for any company that doesn't want to "reinvent the wheel", and so, every company should invest in IT systems that facilitates a system for saving knowledge. Schmitt, Borzillo & Probst (2011) have researched the effects of downsizing in a firm and observed that this had negative effects on the knowledge retention. When people leave the organization they also take with them their knowledge, and if the company don't manage to obtain that knowledge, this could, in worst case scenario, lead to the downfall for the company.

3.3: Knowledge sharing

The importance of sharing knowledge comes from the term Knowledge Management as mentioned earlier, which is one of the four dimensions of Knowledge Management. In the essence of Knowledge Management, the core value is in gaining new knowledge, which can further be applied by the organization. Mandatory to gaining this new knowledge is by understanding the effect of knowledge sharing. During a knowledge sharing process, individuals have different perspectives, which gives new ways of interpreting knowledge, leading to new applications of the knowledge. With a continuous process of practicing this method, new knowledge will always be generated, and an endless loop of created knowledge will be established. Therefore, knowledge sharing is a crucial factor and one of the most significant dimensions of Knowledge Management. It evolves over time and improve production systems and its related surroundings over time, for which we can argue that knowledge sharing is associated with a firm's competitiveness and long-run performance (Du, Ai & Ren, 2007).

In the academical world of knowledge we deal with tacit and explicit knowledge. The explicit dimension of knowledge is determined by facts, rules, relationships and policies which is easy to understand because it is specific and therefore leaves no confusion (Wyatt, 2001). Explicit knowledge is something that can be codified and be articulated on paper and is knowledge that can be easily accessed. Explicit knowledge is the most shared knowledge because it is very transferable. An example on this is that person X explains to person Y how to operate communication systems where you can explain using a step-by-step method. Tacit knowledge on the other hand, is more difficult to share or teach, because it is determined by personal skills, ideas, experiences and context, and in other circumstances beliefs. According to Polanyi (1967), tacit knowledge is knowing more than we can tell, or that we know how to do something without thinking about it. In other words, tacit knowledge is knowledge that we can't express by words.

Bollinger & Smith (2001) say organizations that can use both the employee's tacit and explicit knowledge have a bigger chance to gain competitive advantage. What lies beneath this phrase is that organizations who can turn tacit knowledge into explicit knowledge will have a higher chance of success. In addition, it is important to understand that not all tacit knowledge is convertible, because as human beings we know more than we can tell (Nagarajan & Prabhu, 2015). Nevertheless, this is the reason why tacit knowledge is very valuable, because all knowledge that is shared internally in an organization, is the fundamental creation of values for the organization. This only works for an organization that have a management who support and are open to facilitating a platform where the employees can gather, sort, transform, record and share knowledge (Bollinger & Smith, 2001). A platform like this will be the key driver for future growth of creativity and innovations, and it is therefore very essential that companies recognizes this fact and practice it on daily basis. This also encourages people in the organization because it welcomes social interaction, which is necessary for employees to thrive in the long run.

3.4: Success factors for knowledge sharing

As previously mentioned, we are taking a close look at the success factors for knowledge sharing, based on the findings from the study executed by Connely and Kelloway (2003). These factors will be the essence of the model, and a basis for our questions to the businesses, which is . As with the model, the reward and psychological ownership of knowledge belongs in the Human dimension of knowledge sharing. The remaining success factors belong to the organizational dimension.

3.4.1: Rewards

According to Shakil & Ali (2009), which did an empirical study on how rewards and recognition affects the employee's motivation and satisfaction, concluded that there was a significant relationship between the variables. Thus, for the employee to share their knowledge with others they need to know that they get something out of it. A person need recognition or reward to be motivated to continuing sharing knowledge. If the person is not recognized and sharing is not rewarded, either by tangible or intangible assets, then motivation for sharing knowledge will decrease. Stenmark (2001) also confirms this, stating that individuals do not share ideas if a proper reward mechanism is absent. Hence, operating without having a proper reward system will lead to a downfall in the employee's motivation to share knowledge. It is therefore crucial for the organization that this is in place to motivate the employees to share knowledge. Employees need to know the benefits of knowledge sharing and see for themselves what it leads too. If they get rewarded by better job security or appreciation by the leader, the motivation will rise, and so will the sharing of knowledge.

3.4.2: Psychological ownership of knowledge

When the organization wants the employees to share knowledge, they may meet some obstacles because of the psychological ownership of their knowledge, meaning employees feel that sharing their knowledge will have a negative impact on their job security. If the employee is the only one having the necessary knowledge on how to perform a task, the employee may deny sharing their knowledge because it will threaten their position in the organization, in which we can say that they have the mentality of ‘’knowledge is power’’. Montano (2005) stated that when people feel their job is threatened, individuals will also resist sharing knowledge. When their position is vulnerable, and they have nothing to gain by sharing, why should they share their knowledge? At the end, they think of themselves and their own safety, and therefore sharing valuable knowledge is not something they intend to do unless the sharing of knowledge is rewarded.

On the other hand, findings from Han, Chiang & Chang (2010) also proves that there is a significant relation between psychological ownership and organizational commitment. This means in this case that even though they won't share their knowledge, they have a strong commitment to the organization and will have the desire to perform well.

3.4.3: Communication

Every organization needs to have an open and productive communication platform for the organization to make progress. Communication is important for people to make sure they follow and can express themselves. Having a working communication environment also encourage people to share knowledge, as well as collecting knowledge and being committed to the organization (Hooff & Ridder, 2004). Communication, according to Hendriks (1999), is also enhancing knowledge sharing by lowering temporal and spatial barriers between knowledge workers. Communication is arguably one of the main components for creating and managing knowledge, because it all starts with an exchange of thoughts. It is also a key driver because it helps increase the intrinsic motivation to the employee (Osterloh & Frey, 2000).

An organization that wants to foster knowledge sharing should know that any training emphasizing cooperation between employees and building relationships, increases knowledge sharing behaviors (Cabrera & Cabrera, 2007). Encouraging people to share knowledge and being open to it, is the first step to having a successful knowledge sharing platform. The communication flow in an organization is also dependent on the organizational-chart. Organizations practicing tall hierarchical structures hinders communication and decelerate knowledge sharing, while having a flat structure is the best platform for employees to share knowledge (Al-Alawi, Al-Marzooqi & Mohammed, 2007).

3.4.4: Culture

Stated by Schein (2010, p. 18), organizational culture is defined as ''a pattern of shared basic assumptions learned by a group as it solves its problems of external adaption and internal integration, and further be taught to new members as the correct way to perceive, think, and feel in relation to those problems''. The way this can affect knowledge sharing is by facilitating or restricting the flow of knowledge (Hejase et al., 2014). Levine (2001) reported that organizations that supports information sharing and knowledge creation among its members, as well as being open-minded to multiple view-points, is more likely to succeed in making processes more efficient and effective, also improving organizational life. Montano (2005) adds that culture is one of the key drivers for knowledge sharing, and for organizations wanting to change their strategy, a clear understanding must be made, along with convincing the employees that they encourage experimentation and risk-taking without punishing failures. Organizations managing this culture will have a higher chance of success. However, some still fail and discard the method due to failures. Discarding change because of failures should be reconsidered according to Storey & Barnet (2000), whom confirms that it is possible that valuable lessons can be learned from failure.

Knowledge sharing should not only be encouraged, but it should also be implemented and become a routine. As stated by Girdauskienė and Savanevičienė (2007), when knowledge sharing becomes a routine process, it becomes a part of the culture, and thus changing and affecting the behavior of being open minded and sharing knowledge.

3.4.5: Management

According to Nonaka, Toyama & Konno (2000), clear leadership needs to be integrated in the organization so that the knowledge workers can share and create new knowledge continuously and dynamically. Lee, Gillespie, Mann & Wearing (2010) further states that transformational leadership positively affect a learning culture, encouraging individuals and groups to use their creative minds to solve problems. Implementing a clear leadership where leaders use their vision to inspire others have a positive effect on employees, as employees follow strong and clear leadership. Also, managing to select the right leaders who can offer support and role modelling will help the organization to facilitate knowledge sharing (Carmeli, Gelbard & Reiter-Palmon, 2013). This will not only help knowledge sharing, but also make knowledge sharing a routine, so that employees feel that knowledge sharing is encouraged, and well received by the management.

Structured and dynamic leadership must make sure that the shared knowledge creates new knowledge. Nonaka, Toyama & Konno (2000) states that for an organization to share and create knowledge, it cannot follow the old and traditional ''top-down'' leadership. They further state that for the organization to lead a knowledge-creating process, leaders need to provide the knowledge vision, developing and promoting sharing of knowledge, and make sure that the continuous spiral of knowledge creation works.

3.4.6: Trust

To have a healthy and trustworthy relationship, it is important to achieve trust, which is one of the core elements that bind human beings together, whereas Cheng, Yeh, & Tu (2008) states that trust is the most important factor for knowledge sharing inside an organization. According to Nonaka (2005), mutual trust is accelerating the creation of knowledge, where employees tend to share more knowledge when they know they can trust their team member. Further, if the organizations want to make sure that trust is enabled throughout the organization, they need to make the organizational expectations and procedures transparent trough a wide and open communication platform (Ardichvili, Page, & Wentling, 2003). Ardichvili et al. (2003) also observed that for organizations that was recognized with low-trust, was poorly sharing and creating knowledge. The way managers act in the organizations and in front of its employees have a large impact on trust in the organization, where according to Abrams, Cross, Lesser & Levin (2003), the managers behavior is fundamental for the creation of trust internally. Managers that act in a selfish way, or not being open for transparency will increase the chance for mistrust in the organization. Davenport and Prusak (1998) also confirms this, saying that without trust, knowledge initiatives will fail, regardless of well the other factors are performed. Further, trust must be established in three ways, which according to Davenport and Prusak (1998) are;

1. *Trust must be visible, where the organization must credit those who share knowledge*
2. *Trust must be ubiquitous, and*
3. *Trustworthiness must start from the top, and flow downwards through the organization.*

3.4.7: Technology

Technology in aspect of knowledge sharing plays a major role for all organizations, and it develops every year. Technology is seen as a major factor of knowledge sharing and knowledge creation. According to Davenport & Prusak (1998) the information technology is only a tool for which we can use to store, share and create knowledge. In other words, technology is very important, but only if one knows how to utilize it. Alavi and Leidner (2001) adds that it not only foster knowledge creation and storage, but also the linkage between employees, as individuals or groups.

To store, share and create knowledge in the best and most effective way, organizations need to maintain and upgrade their information technologies (Boland, Tenkasi & Te'eni, 1994), to make sure they don't fall behind, and even so, use too complicated systems that employees won't bother to use.

Technology can also be viewed as a medium for employees to share their knowledge. According to Coakes (2003), technology can be regarded as a platform that enables sharing, and thus the technology will help sharing information both internally and externally. Coakes (2003) also states that since technology is considered as a medium where the staff can be brought together, technology could instead be called a value-adder, which is interesting since the goal of sharing knowledge is to come up with new ideas. Leading to the creation of new knowledge, which the organization can utilize to gain more value.

3.5: Knowledge creation

The ability to create new knowledge is the reason behind an organization's competitive advantage. To create new knowledge, individuals should share knowledge which we discussed earlier. Nonaka (1998) defines knowledge creation as: *"Knowledge creation is a spiraling process of interactions between explicit and tacit knowledge".* While Nonaka (1998) focuses on the sharing process between explicit and tacit knowledge, Cook and Brown (1999) argues that knowledge creation is the result of the interplay between the knowledge and knowing. Only through interactions between individuals sharing their tacit and explicit knowledge is it possible to create new knowledge. To further understand this, we look at the SECI Model.

The SECI Model was introduced by Nonaka, Takeuchi & Umemoto (1996) and has since then become the foundation for future knowledge creation and knowledge sharing theory. By this model it was possible to show how knowledge could be combined and converted, as well as it showed how the knowledge was shared and created. The combination between the explicit and tacit knowledge made it possible to conceptualize four conversion patterns (Nonaka et. al., 1996). The model can be seen below.

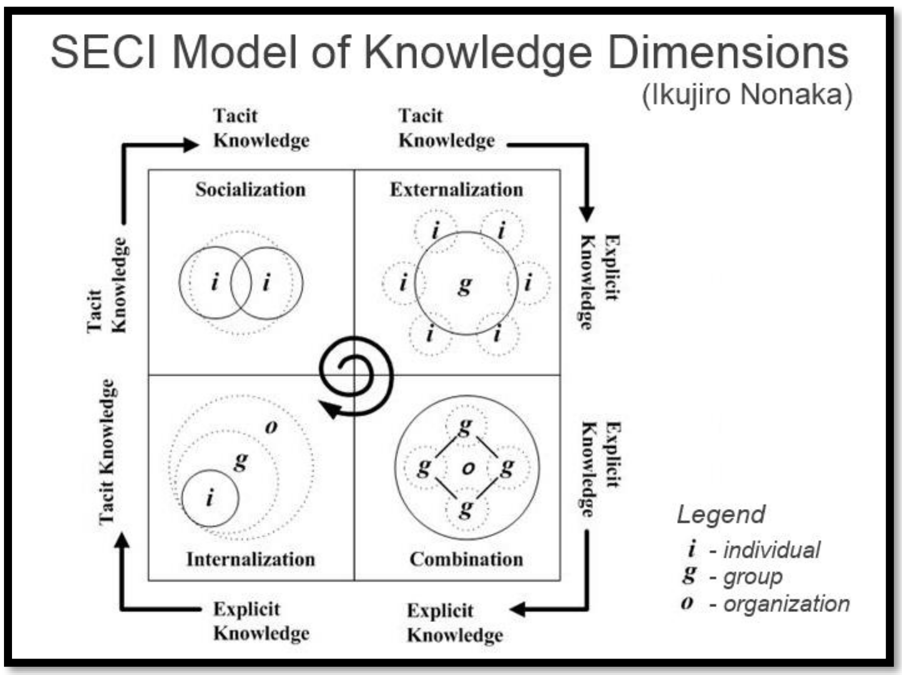


Figure 1. SECI Model of Knowledge Dimension

The four dimensions are:

- **Socialization**
  Tacit to tacit, means individuals coming together to discuss certain topics, one on one. In this social environment knowledge is transferred by practice, learning by listening, supervision and observation.

- **Externalization**

  Tacit to explicit, arguably the most difficult one, where the goal is to codify the tacit knowledge into physical material for others to use. This dimension is very hard to practice knowing that tacit knowledge is complex to codify. According to Nonaka et. al. (1996), this is best executed when an individual commit to a group, and then become one with the group. The result, is that the groups thoughts and ideas fuse and become integrated with their mental world. This is called self-transcendence, which is the key to convert tacit knowledge into explicit knowledge.

- **Combination**

  Explicit to explicit, perhaps the easiest, where the agenda is to combine codified knowledge to become new knowledge. It also includes transferring the knowledge around to the organizational members by having meetings, presentations, and cases.

- **Internalization**

  Explicit to tacit, or more concrete, converting the newly created explicit knowledge into tacit knowledge. This is executed by putting theory into practice, whereas the explicit knowledge is used, and later learned, and then becomes the internalization in the organization, because this change and adapts the user's knowledge.

The model is used to show how dynamic the processes of transforming and exchanging explicit to tacit knowledge is (Nonaka et. al., 1996). Basically speaking, what we can understand from this model is that knowledge is continuously exchanged, transferred, practiced, executed, and codified, as employees interact, collaborate, practice and work together. The spiral in the middle illustrates this by always moving in circles, and thus saying that knowledge sharing, and knowledge creation will always happen if the method is practiced by having an open society at work.

3.6: Governmental and legal challenges

China is known for being controlled by the government, and hence both national and foreign businesses in China will be affected by their decisions. It is also stated in China's State Constitution of 1982 that the role of the state is to guide the country's economic development, as well as leading subordinate bodies to contribute to the national economic plan and the state budget. Therefore, doing business in China where it is a chance that the government may intervene, it could affect the performance and profitability negatively for the business (Bhatti, 2016). Li (2005) states that managers at market-oriented firms tends to have a better success rate because they manage to build connection with government officials and other managers. She further implies that it is important to create a bond with other firms to get valuable market information. While this is perhaps the most recommended strategy, it is also very time-consuming. According to Fang (1999), as cited in Zhang & Tan (2015), gaining these connections with other officials, politicians and managers, one will have to understand that this is not done in a conference room, but rather over a board game or at a restaurant. This means that making connections will require a lot of face-to-face interactions which will take hours to finish (Zhang & Tan, 2015). Also, becoming too reluctant on political ties will increase the chance of government intervention, because they will have to give something in return for their collaboration, such as hiring unqualified employees, according to Warren, Dunfee & Li (2004), and Li, Zhou & Shao (2009).

3.6.1: Corruption

China is, according to Transparency International, ranked as number 77 out of 180 measured countries in terms of corruption, sharing their spot with equal corruption levels with Serbia, Trinidad & Tobago, and Suriname. On the other hand, Norway is ranked as number 3, being one of the countries with a very small amount of corruption. It is fair to say that this will be difficult for Norwegian businesses in China to handle, because of the lack of experience and knowledge on how this influence their business environment.

China has during the 2-3 latest years tried to fight corruption under the leadership of President Xi Jinping, but it hasn't been of any success yet as China still face many problems when it comes to corruption. According to the ''China Corruption Report'' published by GAN Integrity (2016), China is facing corruption on 10 different areas, which is the;

- Judicial system
- Police
- Public services
- Land administration
- Tax administration
- Customs administration
- Public Procurement
- National resources
- Legislation
- Civil society

We are not going to go into detail about each, but all those 10 categories are high risks for doing business in China. Judges are being bribed, and therefore decisions are poorly made. Police officers are reported to not being reliable when it comes to protection from crime, and there exists vast amount of bribery in the public services. For those who operated in the construction sector, there are huge problems dealing with construction permits, where they are ranked as number 172 out of 190 countries according to the World Bank Group (2017), which was latest updated in their benchmark survey in 2017. This is also the category where China score the worst, where companies have said that they had to give gifts or make payoffs to get permission to operate in the construction sector (GAN Integrity, 2016). Moving on, tax collectors are considered, along with local officials, to be the ones that receive most corruption payments (Charney & Qazi, 2015). Charney & Qazi (2015) also said that 35% of businesses in China must give officials bribes or gifts. In terms of customs administration, public procurement, national resources and legislation, bribery and governmental influence is the main factor for their corruption. Local officials can easily pay judges under the table, and people with less money or power in the system will have little to no chance to get a positive outcome.

3.7: Cultural challenges

Every country has their own culture and moving into a foreign country to do business one have to be aware of the cultural differences, one must understand the Chinese culture. China has many traditions that has its roots for more than 5000 years ago, some of which they still follow today. The Chinese people is also a very proud people, which means that they demand respect by foreigners who want to come into their land. For a Norwegian enterprise to move into China, there is a lot of cultural aspects to dig into. According to Lockett (1988), there are four key features of Chinese culture an organization need to be aware of, which is; (1) respect for age and hierarchical position; (2) group orientation; (3) concept of face; and (4) the importance of relationships. First of we will explain the cultural aspect of China, with a small comparison to Norway. This comparison will give insight in the four previously mentioned features. Then we will continue explaining around Confucianism

3.7.1: Hofstede's cultural dimensions

Hofstede's 6-D Model is an acknowledged model that explain and compare the six different dimensions on a country level. By utilizing this model, we can get a clear overview of the cultural aspects that Norway needs to pay attention to. China is a completely different country compared to Norway, so therefore we want to highlight this by taking advantage of Hofstede's 6-D Model. The six dimensions that the model measure and compare, are;

- Power distance
- Individualism
- Masculinity
- Uncertainty
- Long term orientation
- Indulgence

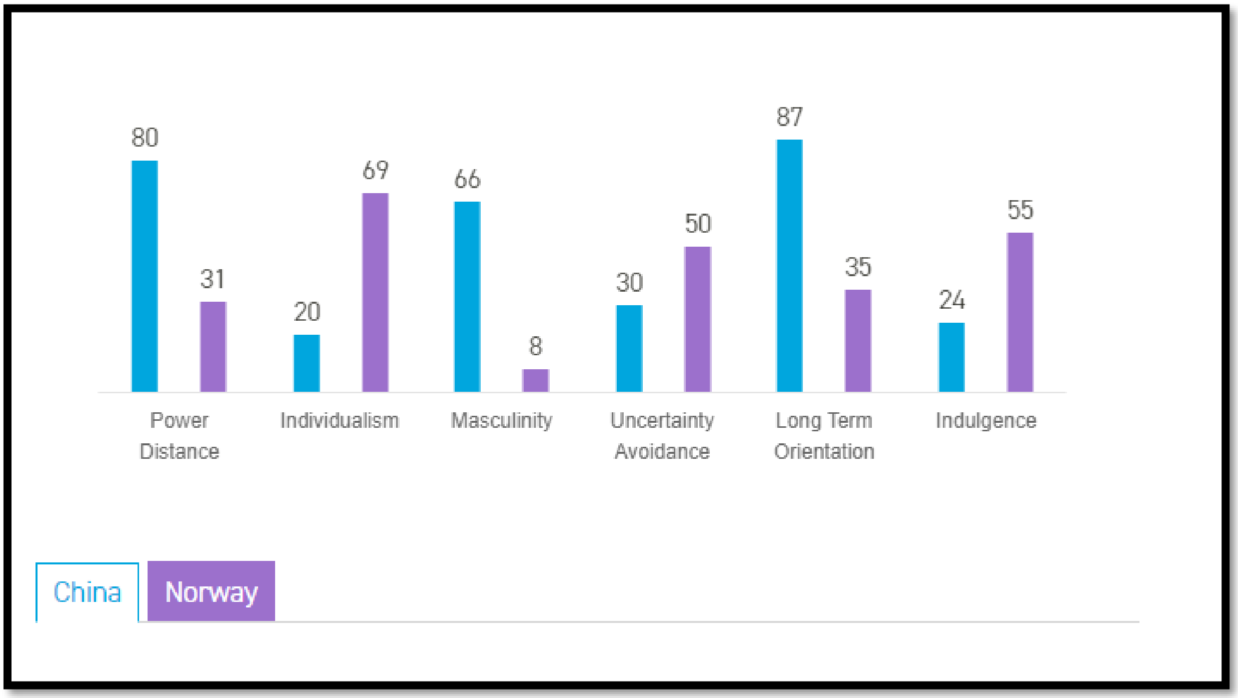


Figure 2: China-Norway Culture Comparison.

3.7.2: Power distance

This dimension is, according to Hofstede Insights (2018), concerning whether less powerful members of institutions and organizations within a country expect or accept that power is distributed unequally. As we can see from the model above, China is scoring high with a score of 80, compared to Norway at 31. Having a score of 80 simply means that the Chinese people accept inequality in their society. It also means that there is no defense against superior power, which we argued for earlier in the corruption part. Furthermore, having a high score, this also means that the Chinese people are a proud people that struggles to achieve status, which further implies that they want to get recognized, and therefore they have a more optimistic view on the hierarchical organizational structure because it shows how far they have come along their journey. Lastly, since people are attached to status, Chinese employees will never seek to get working positions lower than their current position. Compared to Norway this is absolute dissimilar on how Norwegians act, whereas Norwegians are more independent, hierarchy is considered a bad and old organizational chart. Transparency is ubiquitous, and trust and accountability go both ways for managers and employees.

3.7.3: Individualism

This dimension is about whether people act in the interest of themselves and the family only, or in a collectivist society, where people act in the interest of those that belongs to the ‘’in groups’’, and to take care of them in exchange for loyalty according to Hofstede Insights (2018). ‘’In groups’’ doesn’t necessarily mean that they care for themselves but act more in the interests of the group it has committed to. This means that China, having a low score of only 20 points being part of a collectivist society, that they hire relatives or family members over those who are more skilled and suited for the job position. Treatment is also unfairly shared among the employees as Chinese people tend to treat ‘’in group members’’ better than outsiders. It is more important for the Chinese person to take care of the relationship than it is to achieve the organizations goals. At the other side, Norway scoring 69 is more individualistic, where the people have right to speech and having their own opinions. Also, in terms of working ethics, Norwegians tend to think more of their individual career, having a clear focus on working hard for the organization so that they can get rewarded by their performance.

3.7.4: Masculinity

The masculinity dimension is showing whether the country nation want to admire those who are the best in their field (Masculine), or those who care about others and like what they do (Feminine). China score very high (69) while Norway score very low (8). China are, based on their score, a masculine society who thrives to achieve success. Chinese people sacrifices almost everything to achieve success, such as family, which would be unacceptable in the Norwegian society where it is encouraged to take care of your family. Chines people also sacrifices their leisure. Leisure is not important in China and is considered normal to sacrifice, whereas in Norway free time and flexibility is important (Hofstede Insights, 2018). Chinese people wants to stick out and become the best, while Norwegians are focusing more on achieving goals together.

3.7.5: Long-term orientation

This dimension seeks to understand if a country is pragmatic or normative. A pragmatic culture is mostly encouraging economy saving, while a normative culture prefers to honor traditions and being skeptical to change. China scores very high (87), while Norway on the other hand scores very low compared to China (35). China, being a very pragmatic culture, adapt fast and welcomes change as they see it as the key to continuous growth. Norway, being totally different, stick to their roots and doesn't want to change, having a mindset influenced by the saying ''Why change something that works?''. In addition, while Norway likes to spend money and invest now to achieve quick results, China likes to save and invest in the future, having a more long-term oriented approach.

3.8: Confucianism

In China there are strict rules on religions and what your beliefs are. Believing in the wrong gods can get you punished and give severe consequences. For the Chinese people there is not religion that is the center, but a Chinese philosophy, namely Confucianism. Confucianism comes from Confucius, who lived during the sixth century BCE, who was considered to master the arts of moral conduct and personal responsibility (Steers, Sanchez-Runde, & Nardon, 2010, p. 175). Since Confucius was a wise and intelligent person, he created the so called *five-cardinal virtues* which was meant as a code of ethical behavior in everyday life for the Chinese people (Steers et al. 2010, p. 175 & 176). The five principles are according to Steers et al (2010, p. 176);

1. Filial piety – Showing respect and absolute obedience to your father
2. Absolute loyalty – Showing a strong commitment and absolute loyalty to your superior
3. Strict seniority – Respect for the elders
4. Subservience – Women have to obey their husbands in all things
5. Mutual trust between friends and colleagues – The way to maintain relationships

This can be more easily illustrated by the model below.

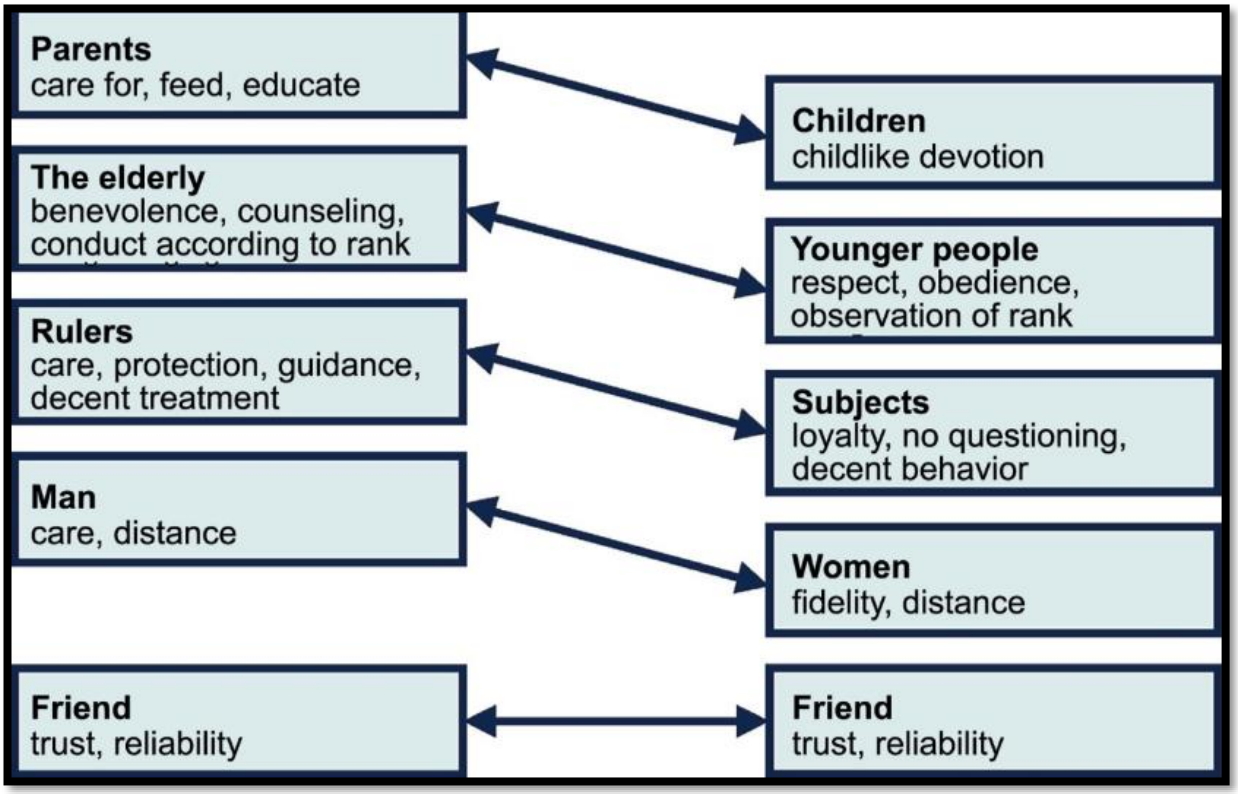


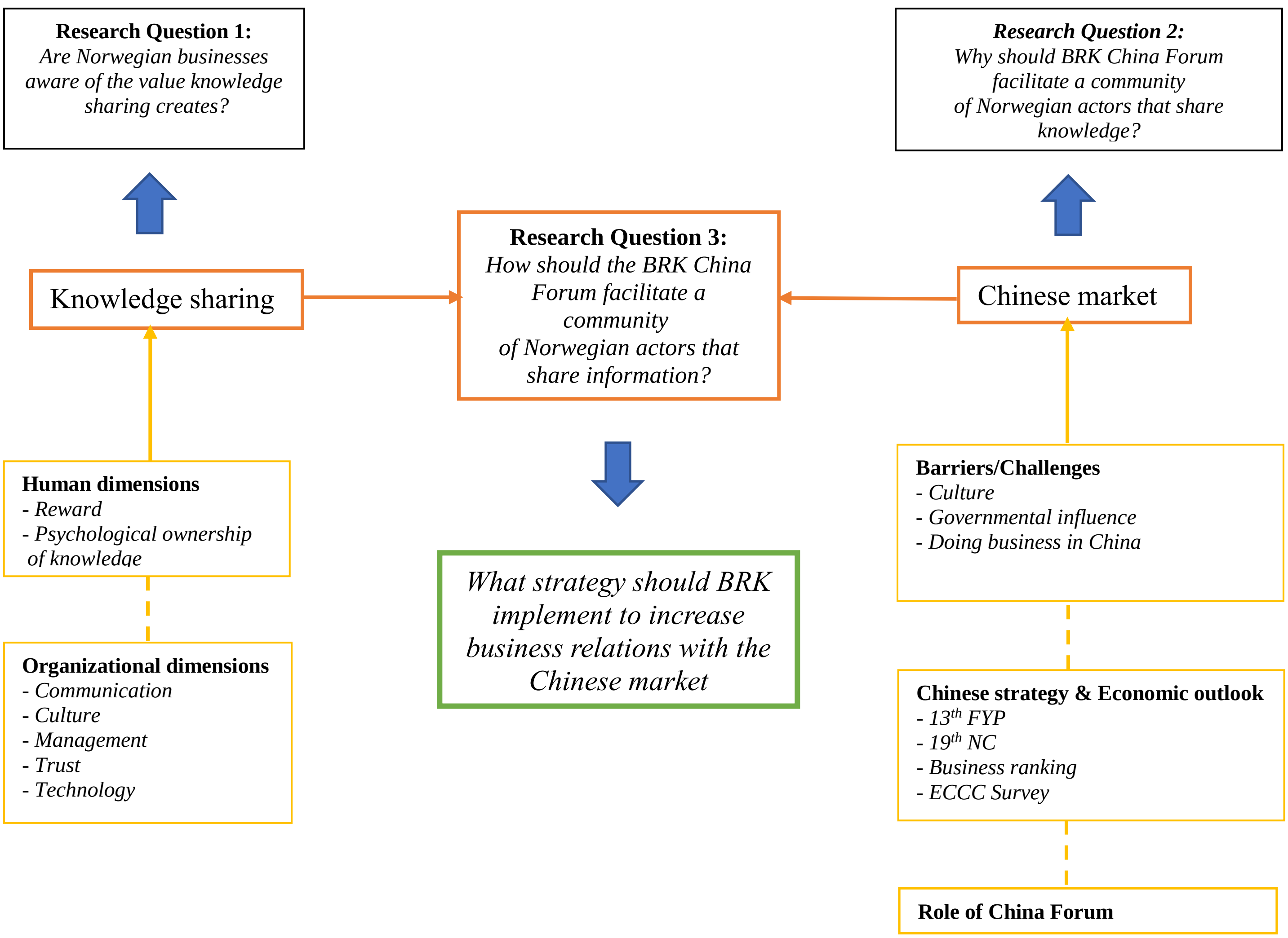
Figure 3: Five Cardinal relationships according to Confucius

As we see, parents have to take care of their children in return for respect and obedience. The elders will take care of the youth's generation in return of respect and acknowledgement. In businesses concretely, the superiors take care of their subordinated, while the employees show loyalty and decent behavior, not questioning the management. The man takes care of the family and the woman obey her husband. This virtue is based on old philosophy and have somewhat changed today, as it in old age was normal that the woman didn't work and had little to contribute with. Lastly, friends and colleagues work on the same lane placing trust and reliability as the main factors to maintain their relationships.

All, or not as much the subservience, are important factors that recognizes the regular Chinese persons behavior. Their virtues are strong fundamental aspects on how they act, and it is crucial to foreigners to be aware of them because they are sensitive to those who don't respect their philosophy.

Chapter 4: Model

To answer the research questions, we developed a model based on; theory and previous research, the research questions, critical success factors for knowledge sharing, and the Chinese market. As we interpreted the findings, we discovered that the left part of the model would answer our first research question. The right side of the model would answer our second research question. This left us with the third research question, which will be answered by the findings of the whole model.



This model was created with a basis in the research questions, where the “knowledge sharing” factors and its findings will answer the first research question. The knowledge sharing factors in the model is as mentioned based on theory of critical success factors for knowledge sharing in an organization. The knowledge sharing variables are meant to identify the internal structure of knowledge sharing, beginning with the human dimension. Here we try to identify the reward systems established in the organization as well as what rewards might increase the individual employee’s willingness to share knowledge. The next variable is the psychological ownership of knowledge, which means how the individual employee feel about their position, and their preservation of position through knowledge hoarding. If an employee does not see the benefit of sharing, that person might use knowledge as a tool to strengthen their own position within the organization. In other words, knowledge is power, and can be used to achieve a stronger position for oneself, or a stronger position for the organization. Moving on to the organizational factors, we have communication. In this factor we wish to identify how the communication works in the organization, that will help us understand how knowledge is shared. The next variable is culture. This will show how organizational culture affect the knowledge sharing processes. Next is management. How does management manage their organization, and how they encourage knowledge sharing is important topics that needs to be answered. It is important that management and leaders show the way, so employees can trust the organization. Trust is another variable in the model. How much trust there is between employees and the organization is vital to the level of commitment to the goal. With a lack of trust, the receiver of knowledge might not believe in the credibility of knowledge given. The last variable is technology. It is important that technology is applied to improve knowledge sharing, it must be easy to use and easy to access.

The “Chinese market” in the model will answer the second research question. The Chinese strategy and economic outlook will give us information related to the opportunities in the Chinese market. By looking at the strategic plans of China we can see their future strategy and how this changes the market situation for Norwegian businesses in China. To identify the current situation on business in China, we look at the ECCC survey to understand how European businesses feel about certain aspects of doing business in China. The Doing Business Ranking will tell us how business is done today, and in what areas it differs from Norway. Understanding what BRK can do to facilitate business in China, we look at barriers when entering the Chinese market, and how BRK can reduce these barriers through China Forum.

The third research question will be answered by the entirety of the model. By understanding how businesses share knowledge internally we can better create a strategy on how to facilitate a knowledge sharing community. We can also see what knowledge should be shared based on barriers and challenges in the Chinese business market. This part will also interview experts to get their opinion on how such a forum should operate.

Chapter 5: Method

This chapter will be looking into the methodology used to answer the research questions in the thesis. We will be evaluating the method used, looking at restrictions, limitations, validity, reliability and ethical concerns. We will also explain step-by-step the methods used.

According to (Business Dictionary, 2018) this is the definition of research:
"Systematic investigative process employed to increase or revise current knowledge by discovering new facts. It is divided into two general categories: (1) Basic research is inquiry aimed at increasing scientific knowledge, and (2) Applied research is effort aimed at using basic research for solving problems or developing new processes, product, or techniques.

The definition above tells us that in research we need to use systematic methods for collection and analyzing data, the research should have a clearly defined framework or area of operation. Meaning the object must be clearly defined and be clearly relatable to research questions, theory, and method for collecting data. Research also has the objective to "find something out". The theoretical framework of the research method is quite clear, unfortunately, this is very rarely true, and the reality is considerably messier, with what initially appear as great ideas sometimes having little or no relevance according to Saunders & Lewis, (1997) as cited by Saunders, Lewis & Thornhill (2009, p. 10). This is also true for this research thesis, with the researchers going back and forth between steps.

5.1: Goal of research

This research began when both students had an internship in Guangzhou, China. During this time, we observed and researched China as a market and the need to increase business relations between Norway and China. As this idea began, we continued research on the relevant topics, like the 13^{th} FYP and the 19^{th} CPC National Congress. Later we were introduced to Knowledge Management at the local university (Sun Yat-Sen University), by Professor Kin H. Chan. This lead us to the theory we would build the research on, which is how knowledge sharing can

reduce barriers for entering the Chinese market. Through our supervisor, we got in touch with Øyvind Laderud in BRK, who informed us about the BRK China Forum project.
The object of this project is to create a forum where Norwegian businesses in Kristiansand can share knowledge, with the purpose of increasing business and society by exploiting the Chinese market. This information leads us to the purpose of this research: “What strategy should BRK implement to increase business relations with the Chinese market”. Through BRK we were able to contact five businesses (whereas two were minor interviews) and two experts on the Chinese market. The businesses all operate out of Kristiansand, so the research will be centered on the Kristiansand area. Note, this also means that the research will investigate how Norwegian businesses can share between each other to gain a competitive advantage in the Chinese market, not the sharing between Norwegian and Chinese businesses. The research will also investigate the Chinese market, to identify what knowledge is required to increase business relations with the Chinese market.

5.2: Research approach

Research approach is based on the “use” of theory. Is theory a basis for the research or is research a basis for the theory. In deductive approach, Saunders et al. (2009, p. 124) states that theory is developed to generate hypothesis (hypotheses) and use the research strategy to test the hypothesis. The deductive approach is associated with scientific research or natural science, meaning the developed theory is subject to extensive testing, and “where laws present the basis of explanation, allow the anticipation of phenomena, predict their occurrence and therefore permit them to be controlled according to Collis and Hussey (2003), as cited by Saunders et al (2009, p. 124). Inductive approach is the last of the two approaches and is where the data is collected, and theory is developed as a result of the data. Inductive approach was developed with the evolution of social sciences because of the need for a different research approach to include the human part of the research and being able to put oneself in their position to better understand the problem. We have chosen to use the inductive approach as our main research approach, but we also used the deductive approach by beginning with researching relevant theory and creating a framework that specifies the research area. After the framework was created, we continued with an inductive approach, by collecting data in a semi-structured manner, which will be discussed later in the paper.

5.3: Research design and nature

According to Saunders et. al. (2009, p. 136) research design is the road the researcher uses to turn their research questions into a research project. They go on to say that the researcher should always be able to answer how and why particular choices were made. In this thesis we have chosen a qualitative exploratory research design, where qualitative research is the collection and analyzation of non-numeric data. Collection can be done through techniques such as interviews followed by categorizing the data. According to Robson (2002), cited in Saunders et al. (2009, p. 139), exploratory study seeks to find out; what is happening, to seek new insights; to ask questions and to assess phenomena in a new light. Exploratory study is conducted through; (1) a search of literature, (2) interviewing "experts" in the subject, and (3) conducting focus group interviews (Saunders et. al. 2009, p. 139).

We have chosen to use the Qualitative exploratory research design because we are doing an exploratory study where non-numeric data is the essence of the research. The research and information are collected through interviews, and literature studies.

5.4: Data collection technique

Based on the choices of research approach, design and nature we chose to use in-depth interviews as our research strategy. From BRK we were given a list of potential businesses operating in Kristiansand that would find interest in China Forum. This list became the starting population to choose from. The sample was chosen by contacting several of the businesses on the list, with different characteristics to obtain data from a differentiated sample. There were two criteria we followed for choosing the sample:

- The company should have some form of interest in the Chinese market
- The business must operate out of Kristiansand or be a public organization with interests in the Chinese market.

To begin the process, we sat down with Øyvind Laderud and discussed the topic. At this time, we were given the list as previously mentioned, and put in touch with experts in the Chinese market. In accordance with an exploratory study, we conducted a search of literature, we interviewed experts in the area, and we interviewed managers at local businesses in Kristiansand.

5.5: Interviewees

Some of the interviewees will be kept anonymous in accordance with their wishes. Other interviewees will be referred to by their first name.

5.5.1: Businesses

In this section we introduce the businesses that are considered our focus sample. These businesses all have an interest in the Chinese market, and they all operate out of Kristiansand.

5.1.1: Viking Development Group

Viking Development Group (VDG) is a group of freethinking engineers and business people that create innovative technology. VDG is made up of different companies; Viking Holdings, Viking Holding Eiendom, Viking Think Tank, Viking Dredging, and Viking Heat Engines. Viking Dredging, and Viking Heat Engines are potentially relevant companies for the Chinese market. Viking Dredging has created an innovative way of allowing bulk carries ships to load wet sand, dry the sand for transport and re-fluidize the sand. VDG is a small company, and not able to fulfill contracts that require this technology. Viking Dredging is looking for companies with the resource capacity to introduce their technology. Viking Heat Engines is creating innovative new technology within waste heat management, able to pump heat at higher temperature in a very efficient way. Viking Heat Engines is an interesting product for the Chinese market, as the strategy is targeting technology and innovations that reduce the environmental impact.

5.1.2: Agder Energi

Our contact in Agder Energi was Steffen Syvertsen (Executive Vice President of Power Management). Agder Energi is the fourth largest energy company in Norway, using only renewable energy. The organization produces, distributes and sells renewable energy, with a vision of becoming the number one renewable energy company in Norway. 99% of Agder Energi's energy creation comes from hydropower. The Chinese government is currently interested in obtaining knowledge related to environmental friendly energy.

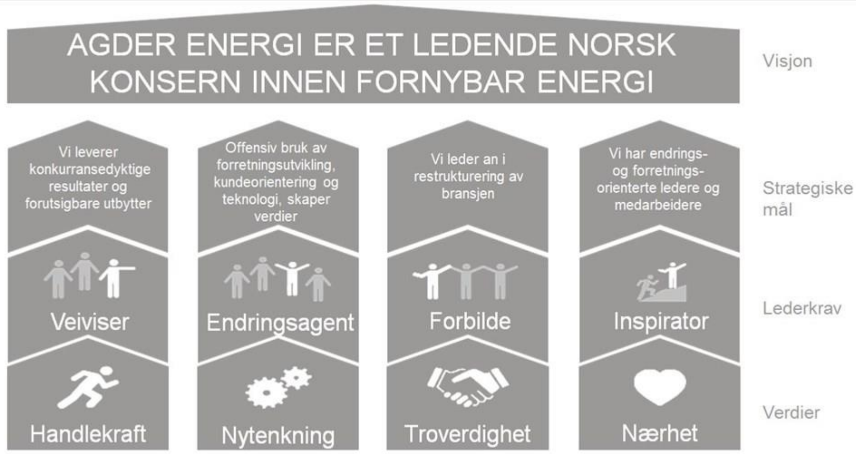


Figure 3: Vision and values

5.1.3: Dyreparken

Morten Skraastad (Commercial Director), was our respondent at Dyreparken. The animal park in Kristiansand is Norway's number one family attraction with almost 1 million visitors each year. They also provide a waterpark and two hotels, whereas the hotel Abra Havn was in 2017 considered being the 6th best hotel in the world by TripAdvisor according to Morten. Dyreparken can also provide a variety of other activities, such as carousels, pirate theater, in addition to be an animal zoo, the most well-known theater is of the famous "Kaptein Sabeltann".

5.5.2: Experts

In this section we introduce the expert interviewees. They all have expert knowledge in the Chinese market, and BRK with its China Forum project.

5.2.1: Henning Kristoffersen

Henning Kristoffersen is educated as a social anthropologist at the University in Oslo and is currently working in DNV GL as director for Government and public affairs – Asia. It is important to note that Henning Kristoffersen has not been interviewed based on his affiliation with DNV GL but as an expert on the Chinese market. Working in DNV GL, Henning has been the external relations director in Asia, and earlier he was the Director of International Relations and Director of the China Program at BI Norwegian Business School. He has also worked as the leader for the Nordic Center at Fudan University. He has published many papers such as; Solar energy transforms China, Chinas economy, Western leadership development and Chinese managers: Exploring the need for contextualization, The new China, and more. Henning Kristoffersen is, as aforementioned, one of Norway's experts on the Chinese market and is usually the contact person when NRK (Norwegian TV channel) requires an expert on the Chinese market. In the context of this thesis, Henning Kristoffersen is considered an expert on the Chinese market in general.

5.2.2: Jens Glad Balchen

Jens Glad Balchen is the founder and leader of Intersys LTD, Hong Kong (Shanghai, PRC). Intersys is a high-risk corporate investment company. Previously Jens Glad Balchen has been the founder and CEO of Radiccon Food in Shanghai, Industriautomasjon AS in Kristiansand. Jens was also a part of founding NBA (Norwegian Business Association) in China. Jens has a total of 13 years work experience in China and in the context of this thesis, Jens Glad Balchen is considered an expert on the business aspect of the Chinese market.

5.2.3: Øyvind Lyngen Laderud

Øyvind Lyngen Laderud is not an expert on the Chinese market, but through an informal discussion we could understand the objective of China Forum. Øyvind is educated in Public Administration, Economics and International Relations at the University of Agder, and Global Innovation and Business Development (Master) at BI Norwegian Business School. He is currently the international adviser at Kristiansand municipality. The following is an extract from his LinkedIn profile (LinkedIn, 2018) *"Coordinator and advisor of Economic growth, business development and international relations at City of Kristiansand, Norway. Working with international partners in Europe and US for the benefit of the region, city, academia and the business community. Facilitating international business and university relations, projects and* *events. The city aims to promote investments and relocate businesses to the city region. Together with business associations and clusters we facilitate international visits and delegations. Especially startups and small and medium sized companies".*

5.6: Secondary data

According to Saunders et al. (2009, p. 256), secondary data, is data collected for another purpose and can be reanalyzed to help answer research questions. Either by answering the whole research question or to further support other data. In this research we will be using compiled secondary data, which according to Saunders et al. (2009, p. 258), means data that has been summarized or compiled in one form or another. Furthermore, the secondary data used in this research is written documentary data (Business Ranking), and Continuous survey data (ECCC survey).

5.7: Interview – semi-structured

As stated by Saunders et al. (2009, p. 318), an interview is the discussion between people (two or more) that has a purpose. There are several types of interviews, each with its own purpose and framework. It is important that the nature of the interview is in accordance with the research design and the research question, (Saunders et al., 2009, p. 318).

Based on the research questions and design, we have decided to use semi-structured interviews, as reported by Saunders et al. (2009, p. 320), is an interview with a list of themes and questions covering the areas that need to be discussed.

The structure can vary in different interviews, based on the context of the interview. The purpose of using a semi-structured interview form is to allow the interview to be loose, giving the interviewees the possibility to talk freely within the frames of the theme. Saunders et al. (2009, p. 323) also informs that semi-structured, non-standardized interviews are required when doing an explorative study, to be able to follow a preset theme and give the interviewer the possibility to extract more information about situations that present itself during the interview. On the other hand, semi-structured interviews give concern about the reliability of the research.

When using the proposed interview structure, the research situation is complex and dynamic, meaning it may change over time and between different research objects. Making the research replicable would endanger the quality of the research itself (Saunders et al., 2009, p. 328). In this research the need is to infer causal relationship between variables, and to understand the reason and attitude towards the research objective.

5.8: Plan of the interview

During the interview process we used face-to-face and phone interviews. The phone interviews were initiated with an introductory phone call, where we briefly explained our need and the interviewee informed us of the date and time they were available. After the introductory call, we sent the interviewee and email with information regarding the thesis and the themes we were interested in discussing (Appendix 10.10). The same procedure was used during the face-to-face interview. The difference here, being that the interviews were conducted at a time and place of the interviewees choosing. During the interviews we recorded the discussion, which later were transcribed and organized into data. The recordings were deleted after transcriptions were completed.

During the entire interview process, both students attended. One of use took charge of leading the interview, as to not create any uncertainty. The other took notes during the interview and asked follow-up questions when suitable, in order to capture all necessary data. As for the interviewees, they were all interested in the topic, and had a lot of knowledge related to the subjects. Some of the interviewees had prior knowledge of the concepts involved, while others did not. Still most of the interviewees had insight of the knowledge sharing processes within their own organizations. As previously mentioned, there were different agendas with the different interviewees. The expert interviews had its own set of agenda, focused on the Chinese market and knowledge sharing between Norwegian businesses in the same market. The target group agenda was focused on the knowledge sharing process in their organization, as well as their will of sharing knowledge with other businesses in Kristiansand, and knowledge of the Chinese market.

5.9: Data analysis

When using qualitative data gathered from in-depth semi-structured interviews, it is a time-consuming task to organize the data into a structured format. It is a necessary task to be able to analyze the data obtained. As mentioned before we began with the deductive approach to create a framework of theory to work within. However, we did not want to limit the outcome of the interviews by following the parameters to the letter. Through the theory we were able to identify the framework or concepts for our research, from there we went with the inductive approach to refrain from limiting the data collection. Through this method we were able to minimize time consumption, while giving us the ability to see causal relationships between the variable and the perspective of the interviewees. After the data was collected, the inductive approach was used in data analysis as well. Inductive data analysis is when you collect data and then analyze it to create a theoretical framework. As mentioned before we used the deductive approach in the beginning to create the framework. However, the framework was not created as a limitation on data, rather it was created to give a guideline. Saunders et al. (2009, p. 490) tells us that analyzing data based on the inductive approach is not standardized but can be grouped into three main types of processes; (1) summarizing, (2) categorizing, and (3) structuring. After we transcribed the interviews, we summarized the data before we categorized it by finding the data relevant to the different variable in the model. Finally, the data was structured by finding the differences and similarities within each separate variable in the model. From here, the data was analyzed, and verified according to theory.

5.10: Quality of research

When discussing if the research is “correct” or when asking “how do I know if the research gives me the correct answer?” the researcher should be aware of and check the validity and reliability of the research. As Saunders et al. (2009, p. 156) puts it, reducing the possibility of getting the answer wrong means that attention has to be paid to two particular emphases on research design; reliability and validity.

5.10.1: Reliability

According to Saunders et al. (2009, p. 156), reliability is the extent of how consistent the research findings and analytical process is, and to what extent it can be replicated. To check reliability, Saunders et al. (2009, p. 156) states that one can ask three questions: (1) Will the measures yield the same results on other occasions? (2) Will similar observations be reached by other observers? (3) Is there transparency in how sense was made from raw data? In addition, Saunders et al. (2009, p. 156) refers to Robson (2002) about threats to reliability. There are four threats; (1) subject or participant error, (2) subject or participant bias, (3) observer error, and (4) observer bias. This research is exploratory and case oriented, which means that replicability is somewhat limited. As to primary data, we followed the same principles for all interviews. Some interviewees had different information and knowledge to provide. so there were some variations to the interview guide.

5.10.2: Validity

According to Saunders et al. (2009, p. 157), validity is concerned with the findings related to the variables in the model, and not some unknown variable. Robson (2002), as cited by Saunders et al. (2009, p. 157), states that there are six threats to validity; (1) history, (2) testing, (3) instruments, (4) mortality, (5) maturation, and (6) ambiguity about causal direction. This thesis is based on qualitative study, thus not focused on the causal relationship between variables.

5.10.3: Generalizability

Also known as external validity, this subject is concerned with the research and findings being relatable in other research (Saunders et al., 2009, p. 158). Can the findings be applied to other organizations in other markets? This research is very specific, and we do not claim it to be generalizable to other markets or organizations. Explorative design findings are only applicable to the chosen population. Nonetheless, we believe that some aspects of the research ca be transferred to other public organization interested in creating a knowledge sharing community for Norwegian businesses.

5.11: Ethics and moral codes of conduct

According to Saunders et al. (2009, p. 183), ethics is (in the context of research) the appropriateness of your behavior in relation to the rights of those who become the subject of your work or are affected by it. We have informed all interviewees of the purpose of the research, in what manner it will be published, and they were all informed of the option to stay anonymous. We explained that the interviews would be recorded, but only to be able to transcribe their answers correctly and unaffected by bias or misunderstandings. The recording was deleted as soon as the transcription was finished. In the end all interviewees or concerned parties were offered to read through the paper before any public publication.

Chapter 6: Results

In this chapter we will present our findings from the interviews we have conducted. Our depth interviews with our respondents will cover our findings for the knowledge sharing factors, as well as some for the Chinese market factors. The short interviews and interviews with experts on the Chinese market will answer questions related to China Forum and the Chinese market. Since we are looking into very different organizations that operates in their own respective markets, the results are therefore also influenced by this. Nonetheless, we are still able to compare them with each other due to many similarities in organizational behavior. The structure of this chapter will follow the research questions, and findings will be categorized under what research question it provides insight into.

6.1: Are Norwegian businesses aware of the value knowledge sharing creates?

The findings relevant to this research question lies in the model. To identify the knowledge sharing process in Norwegian businesses, we interviewed relevant businesses about the success factors of knowledge sharing. We interviewed VDG, Dyreparken and Agder Energi and had focus on their internal procedures of knowledge sharing, because it is essential to measure in what degree they practice knowledge sharing, to see if they are aware of the values it create.

6.1.1: Human dimensions

According to Hejase et al. (2014), the human dimension is concerned about the employee’s need for achievement and self-actualization, altruism, and status. To measure this, it will be relevant to see how employees are affected by rewards, and how knowledge is used.

6.1.1: Rewards

From the interviews, we found out that Agder Energi was the only company that had a department directly related to sales. Even though they have some incentives to reward their employees due to reaching goals within the department of sales, this is not how they reward their employees in general throughout the organization. Steffen at Agder Energi told us that their focus doesn’t rely on the external motivation, but the internal motivation. They want to motivate employees by rewarding them through intangible assets, such as giving them self-confidence and acknowledging their work. This is strongly related to the organizational culture which we will discuss later in the thesis. While many companies tend to reward employees by commission, which is the most natural and easiest way to both manage and execute. Implementing a structure where employees are rewarded through intangible assets is much more difficult to maintain. When it comes to Dyreparken, they practice a very similar procedure. Their vision is to make everybody happy, so they try their utmost to practice that in their daily work. The way Dyreparken reward their employees is by arranging dinner together, they brag about their employees when they have put in great effort, they sometimes give a Christmas bonus, and they also use an external event agency to create activities for socializing. But what they are most proud of is that they can provide a yearly trip, sometimes two, to other facilities in the world so that they can both learn and have a great trip together. They have visited Disney World several times and last year they went to Kenya. This year they are planning to go to France. Even though it is not directly a reward given by results provided during a year, it is still a way to maintain a good relationship with the employees, share knowledge, and a method to motivate the employees not only to stay, but to increase happiness at work and improve working behavior. The circumstances are somewhat different at VDG because their staff in Kristiansand only consists of 40 employees, while they have many more employees working abroad in Germany and Barbados. There are mainly management staff working in Kristiansand, so therefore there are very few reward incentives, but some have the privilege to be partners and operating together between countries on specific high technological products. For those included in the partnership, they will get their respectively share of the product if they manage to sell it to bigger prosecutors in the market, which are their way to reward employees.

6.1.2: Psychological ownership of knowledge

This factor is concerned whether employees use their knowledge to their own benefit, afraid of losing their power and position in the organization if they share their knowledge with the others. From all the candidates we interviewed, none gave us the impression that they had such employees, especially not by current knowledge of the situation. At VDG they all worked as a team, and no employees had more power than others based on their knowledge. The same goes for both Dyreparken and Agder Energi which valued knowledge sharing more than high competence employees that kept knowledge for themselves. Morten at Dyreparken also said that since they aren’t a high-tech firm, the factor is not that relevant because it’s close to nothing what an employee can keep secret, which can impact their position in the firm. Agder Energi being the biggest organization of our respondents, can be more likely to have employees sitting on valuable knowledge. Nevertheless, this is not the way to develop and grow as an individual at Agder Energi. At Agder Energi they value people that share knowledge with others, and encourage people to move around in the organization, and sometimes in other geographical areas to develop their knowledge. Employees that don’t share knowledge will not get fired, but the behavior will be noticed by the management, and therefore, this may affect their position negatively.

6.1.2: Organizational dimensions

Knowledge is ubiquitous in every organization, but how organizations utilize their knowledge is what differentiates them from other competitors. According to Davenport & Prusak (1998), as cited by Hejase et al. (2014), organizations who don’t manage their knowledge resources will have a less competitive advantage compared to organizations that do. Therefore, it is relevant to see how these factors are exercised: Communication, Culture, Management, Trust, and Technology.

6.2.1: Communication

First, communication can be done through different methods, such as face to face, phone calls, meetings, e-mails, facetime etc. When we interviewed the candidates, we got a very vast amount of information because they use many methods to communicate. VDG have a flat structure of communication, whereas other departments in the Viking Group have a more hierarchical structure. However, they are mostly practicing a flat structure where everybody can talk to each other and share opinions and knowledge. They have weekly meetings over video-phone calls, where they discuss relevant information like news and happenings. In general, since they work in separate offices, they use e-mail mostly to communicate with each other. Having meetings regularly once or twice a week was also common at Agder Energi and Dyreparken. The reason why this has to happen is to highlight important topics and to make sure that everyone is going the same direction. In addition to regular e-mail and phone calls, both Morten at Dyreparken and Steffen at Agder Energi told us that they used an app called Workplace, which is an app created by Facebook. This app enables all employees at their respective organizations to have an open discussion forum where everybody can exchange their thoughts and ideas, as well as asking questions, posting news and other important topics. The app is very well suited for organizations that have a vast amount of employees at their disposal. Before they decided to go for Workplace, Dyreparken only used e-mail. Using e-mail when having to deal with over 800 employees during summer time was not efficient, so therefore they investigated Workplace, and after using it for a while there was no doubt that it was a good decision. The way they have done it is by creating separate groups, each for every station at Dyreparken (approximately 70), where employees at their station can communicate internally. Further, these groups are in some extent linked with each other so that one can easily communicate and chat with employees from other stations if needed. All employees that use the app have access to other groups and are also free to contact upper management. This communication chart is also applied at Agder Energi, where they have separated each station into groups in the app, so that communication is systematized.

6.2.2: Culture

To measure culture, we wanted to know what they emphasized, in what degree they wanted openness, how they handled situations where employees made mistakes, and to what degree the employees had an impact on decision making in the organization. Based upon openness, all three companies had in common that they wanted to foster an open society where everyone could share knowledge with each other. As both Dyreparken and Agder Energi are using Workplace, they make sure that they are serious about what their intensions are. Using this platform enables everyone to communicate, and therefore this app can be regarded as a social platform where the goal is to have a transparent organization. While VDG doesn’t use this app, they still had created a platform where the intension is to discuss and contribute to the final product they will deliver. They had some sharing platforms that enabled sharing of knowledge, but we got the impression that it was more of sharing information rather than sharing knowledge.

The next thing we found out from both Dyreparken and Agder Energi is that they want to create a culture where employees dare to take chances. Taking chances also means that there are risks included, because it is not guaranteed what the outcome may be. Since the market is ever changing they want the employees to challenge themselves by committing to something, and sometimes that means that they have to make choices on their own. It is also stated in Agder Energi Strategy Plan that they want to create a culture where employees dare to take risks. At Dyreparken, Morten said. that it is natural to fail for human kind, therefore the key to solving mistakes is not by eliminating them, but by learning and taking advantage from their mistakes.

Furthermore, Steffen at Agder Energi told us that since the market is constantly changing, they have to work on the willingness to change. This is very difficult because it is natural in the Norwegian culture as mentioned in the theory chapter, to stick to safe surroundings and be negative tuned to change something that is currently working. Therefore, they are regularly working on their employee's willingness to change. This is not done by a few days, so they have worked continuously on changing this behavior. Steffen said that the only way to change this behavior is by practicing it at work.

Last thing is, which we also mentioned in the ''psychological ownership of knowledge'' factor, is that especially Dyreparken and Agder Energi, practice a culture where it is the employee that share knowledge that will achieve most in their organization. This means that they want the whole organization to work as one big team. If employees don't share knowledge at Agder Energi, the management will notice, and they will lose the opportunity to grow within the organization. They want to create a culture where the employees work together and share knowledge, not a culture where employees think of themselves as individuals.

6.2.3: Management

We had to measure knowledge by the content of how the managers acted in the organization. From what we understood, all three companies made it clear that they wanted to operate with a flat organization structure, so that transparency was achieved. VDG in Norway is very small compared to their international offices, but by giving responsibility to each member they secure openness and credibility throughout the organization. This also goes for Agder Energi where the goal through Workplace is to create transparency all over the organization characterized by trust, positivity, and honesty. They are also reliant on trustworthy leaders that can take responsibility for their actions and share knowledge with their staff and other leaders in the organization. In addition, they are also paying much attention to leadership development, which they think is very essential and relevant at the time, focusing on openness and sharing.

At Dyreparken we see many similarities with the two other organizations, but what Morten also told us is that they are practicing transformational leadership. As mentioned in theory, this kind of leadership is very effective because it encourages the staff to think and act creatively, as well as it has a positive effect on the learning culture. Being a leader and working with the staff operating ‘’on the floor’’, Morten expressed that it made him aware of the surroundings at work, and the entire environment at the workplace.

Dyreparken is also reliant on good leaders in the park, and foster leaders by providing them security training, in a collaboration with the University of Agder (UiA). Through this program, lasting for approximately 1 week, they make sure that the ones that want to become department leaders, have the basics before they enter the job position.

Lastly, Agder Energi have an annual management audit where they go through 100 talents. They think this can provide valuable knowledge to the other departments by moving employees around in the organization where they can share and receive knowledge. This method we described earlier in theory supporting the SECI Model of Knowledge Dimensions, where an individual of tacit knowledge, goes and work with another group, then commit to it and later becomes one with it. It is a very challenging phase because teaching other individual’s tacit knowledge takes long time. When they manage, they will create new knowledge which further can be used to gain a competitive advantage for the organization, hence, the organization is growing as one big unit that take advantage from the knowledge sharing society at work.

6.2.4: Trust

The clearest and most important fact that stood out was that all three organizations placed their trust in employees by giving them responsibilities. In VDG, each office was handed responsibility by focusing on separate countries, whereas VDG in Kristiansand had focus on China. Each office at VDG also deals with local suppliers.

In Dyreparken there is approx. 70 different stations. Each station has their own leader, which have responsibility to check that everything is working, and that satisfaction rate is good. The same goes for employees at Agder Energi, where employees are given responsibility to fulfill tasks, and make their own decision. Furthermore, employees report daily on things that can be better executed. For example, small things like needing new office supplies, or suggesting that the bathrooms should be renovated. All three leaders confirmed that they received good feedback on this subject. Most employees were pleased with the trust from the management by the authority they were given to make decisions for the organization.

Trust is also relevant for Dyreparken and Agder Energi on Workplace, because both organizations allowed all employees to communicate in the app. Not only by chatting with people in the same department, but also the fact that they could chat with employees and leaders throughout the organization without asking for permission.

One thing that Agder Energi could provide to further increase trust, was that they offered employees good opportunities within the organization. The chance to grow as a person and build their CV made employees more dedicated because they knew that if they put in great effort, the chance to move up in the ranks would greatly increase. They also provided employees the opportunity to continue education, either technical or an MBA, which the organization would pay.

6.2.5: Technology

Since technology has become so advanced and always keeps developing because of rapid innovation, there is vast amount of different solutions on how to store and share knowledge using technology.

Everyone used e-mail, as we would expect because it is the simplest form for communication tool when people are working far away from each other. While e-mail was the most preferred method at VDG because of the long distances between each department, there was a reducing usage of e-mail at Dyreparken and Agder Energi, which was because of the implementation of Workplace, as it is the most preferred method to communicate instead of e-mail. This only goes for internal communication, not externally. The app enables many possibilities for the organizations, because they can share, chat, store, and report. At Dyreparken they use the app for all topics that we mentioned, while Agder Energi use Workplace only for communication, sharing and reporting. The reason why they want to exclude storing of knowledge is because they think that if employees both stored and communicated on the platform, it would be to chaotic. Therefore, they also have a storage system called Energisk, where they can store both knowledge and documents.

Skype was also used by Agder Energi and VDG to have video conversations with employees that worked in other countries. Skype is both free and easy to use, as well as many is familiar with it. VDG used Microsoft SharePoint for sharing and storing knowledge. The program is very new for VDG, and they started to use it approximately one and a half years ago. Many employees still struggle to get comfortable with the system, because some learn fast, and some need longer time.

6.2: Why should the BRK China Forum facilitate a community of Norwegian actors that share information?

For the second research question, we have findings from the expert interviews, as well as the barriers of market entry. After we had gotten answers on the knowledge sharing factors, we continued focusing on the factors relevant to the Chinese market and the willingness from each business to participate in China Forum. These factors are needed to find out in what degree the organizations can provide value to China Forum, as well as determining what knowledge the respondents have about China. Here we also will include data provided from Svein Olaf Olsen at Anzyz Technologies, and Jan Hindersland at JMA Process Technologies which were conducted through short phone calls. We will also include opinions and thoughts from experts on the Chinese market, Jan Glad Balchen and Henning Kristoffersen.

6.2.1: Network building

Morten at Dyreparken said that the most important to know when you want to establish contact with the Chinese market is that you'll have to create a friendly bond with them. Understanding their culture and gaining trust is the most crucial part. Steffen at Agder Energi also agreed, saying that you will need someone to trust, and someone that you can rely on. To gain this trust, organizations will need to tie strong bonds with Chinese people, and if possible, try to become good friends with them. Morten also said that the way he maintains his relationship with his contact in China is by getting to know both him and his family. Sometimes they also visit each other, where the Chinese family have been invited to their home in Norway. Morten is also very reliant on his Chinese contact because if something happens with his suppliers in China, he can rely on his Chinese friend to sort things out.

6.2.2: Choice of partner

VDG expressed that to reach big businesses in China, they were very confident that they would need someone that were fluent in Chinese language to help them get contacts in China. Steffen at Agder Energi adds that in addition to having a contact or friend that speaks Chinese, you will also need a good contact that have a solid network of connections, that can introduce you to the big companies. This was also confirmed by expert on the field, Henning Kristoffersen, who confirmed that in order for Norwegian businesses to establish in the Chinese market, they would need a Chinese partner. Also, he said that the partner you'll pick is maybe the most important choice you will make when moving into the Chinese market. You'll need to find a partner that is interested in creating a business model that will benefit both parties.

6.2.3: Culture

Another crucial factor that Norwegian organizations need to be aware of before entering China is to understand their culture. Steffen, who has been in Beijing and visited the biggest corporations in China, such as Tencent, Huawei, and Alibaba, said that in order to build a network in China, you'll have to understand their culture. Svein at Anzyz Technologies also had one story to tell regarding culture. "A *Norwegian business group had a meeting with an Asian company. During the meeting, one of the Norwegians tried to be funny by saying "instead of having brainstorming before the meeting, they had beer-storming", where they prepared for the meeting while drinking a couple of beers. All Norwegians thought it was funny, except the Asians. What this mean is that when it comes to business, the Asian businesses is completely serious, and have little tolerance for humor at meetings".*

6.2.4: Market shift

For long time the western countries have believed that innovation and technology development was mainly a western industry. According to Henning, Jens and Svein, this has absolutely changed during the last years, and if Norwegian companies want to enter the Chinese market, they must understand that things have changed in the high-tech industry. Steffen explained that the market is developing so fast as they do because they are leapfrogging. Leapfrogging means that they are skipping steps in development because of their rapid innovation.

We asked Henning if he thought moving into China only was possible for big organizations, since earlier research concluded that China would be too difficult to enter for smaller organizations. Henning's opinion was that things have changed on few years, concluding that there is also a market for small and medium sized organizations that have interest of entering the Chinese market. He further informed us about nHack, where Chris Rynning is one of the initiative takers. nHack is created to help founders, and small and medium sized organizations operating out of Nordic countries, to enter the Chinese market. Chris has more than 20 years of work experience in the Chinese market and has a lot to offer.

What is important for Norwegian high-tech organizations according to Henning, is that they will have to be cautious and think of how they best can protect their technology. This was also confirmed by Svein who said that the Chinese people are looking for ways on how to get access to your technology, without having to pay for it, as they still are considered a cynical society. VDG was also aware of this. Even though they want to enter the Chinese market, they want to take step by step, being cautious of their entry strategy.

6.2.5: Direct link from Norway to China

Jens Balchen suggested that the first thing BRK should do is to open a representative office in China for which the organizations in Kristiansand have access to, consisting of one Norwegian and ten Chinese people. He further stated, that if Norwegian businesses want to achieve something in the Chinese market, they have to create a direct link to China.

6.2.6: Government in China

According to both Henning and Steffen, China is characterized by state capitalism influencing everything that happens in the market. Which means that BRK can have a bigger impact in the Chinese market, by opening doors into the Chinese government. China is a monitored society that take advantage of the technology to monitor absolutely everything. For example, everyone in China is using WeChat, which we also used when we were living in China. When signing up it is also mandatory to accept their terms and conditions, which include China having the authority to monitor everything the user does on the app, as well as tracking the user's device.

6.2.7: The 13th Five-Year Plan and the 19th CPC National Congress

We wanted to know what the respondents had heard of the 13th FYP and the 19th CPC National Congress, and what thoughts they had made from it. Here we only got answers from Steffen and Henning. Steffen had the impression that these arrangements mainly are made up to attract more businesses, while Henning meant that much have happened the last 20-30 years, and that they are now major player with great power. Because if this, they don't need to put in extra effort to attract foreign businesses, because most businesses are interested in going into the Chinese market anyway, unaffected by the Chinese markets actions of trying to attract more businesses. Since Chinese news agencies are owned by the authorities, all news on the web will work on a common mission to brag about the Chinese market, using only great words about actions

Chinese businesses does to increase the positive reviews. Even though many are alert of this kind of propaganda, Henning states that this doesn’t only goes for China. Every nation that wants to increase the awareness of their industries, have some sort of influence, and will do their best to highlight their own industry.

6.2.8: Business ranking:

After analyzing the Business Ranking Report, we have found that all the topics of the report, fall under the barriers for market entry. We also have findings on current situation in both markets, which means we can analyze the differences to understand what areas the barriers could potentially be. It is important to note that the rankings are based on one city, and findings may vary in different regions. Shanghai is the city in China, while Oslo is the city in Norway.

According to the World Bank (2018), it is harder to start a business in China, than in Norway. In Appendix 1, which is a side by side comparison of the procedure for starting a business in each country. We see that there are a lot of differences in in the ranking list, specifically in; starting a business, dealing with construction permits, getting electricity, registering property, protecting minority investors, and resolving insolvency. We will now continue to reveal findings in the different categories, before we reveal findings in the categories that are more similar, based on the rankings from the World Bank (2018).

At first glance the time is the major difference in starting a business, according to the World Bank (2018) portrayed in Appendix 2. It takes around 22 days to establish a business in China, while it only takes 6 days in Norway (considering none unforeseen delays occur). The reason for the time difference, is because Norway provide electronic registration, while in China a lot of the registration process is done physically at the relevant department. This is the clear bottleneck of the procedure. In addition, when registering a business in China, a business must register with a lot of different institutions like the: Police Department, State Administration of Industry and Commerce (SAIC), State Tax Bureau and Local Tax Bureau, Human Resources Management Department, and Social Welfare Insurance Center (World Bank, 2018). The cost of starting a business is close to similar.

Analyzing the data from the World Bank (2018) on dealing with construction permits, we reorganized a side by side comparison of the procedure on how to obtain construction permit in Appendix 3. As we can see, the procedure is a lot more time consuming in China than Norway. There are 10 procedures more in China compared to Norway, and it takes almost 200 more days to obtain a construction permit in China according to calculations from the World Bank (2018). During the process of obtaining a building permit in China, the company will go through a lot of different institutions, with a lot of different application forms. Getting electricity has the same issues as the other two (starting a business, and construction permits), which can be seen in Appendix 4. The process takes longer time in China, but the amount of procedures is almost similar.

The major difference in registering property is that in China, property can only be bought in the sense that they buy the rights to use the land. Data is portrayed in Appendix 5 In China all property or land is owned by the state, or collective ownership, according to the World Bank (2018). Besides the major difference, the time issues are the same as the others.

When it comes to the protection of minority investors, which is portrayed in Appendix 7, with several sub-dimensions with the first being the disclosure index. The Disclosure Index is seeking to find out how much information and conflicts of interest that must be disclosed to all shareholders, were both China and Norway scores high. This means that both China and Norway have a great disclosure rate. Furthermore, the Director Liability Index explains to what extent the director is liable. Here, China has a score of 1 out of 10, meaning the director has close to no liability. Norway on the other hand has a score of 5, meaning the director is liable if the issue is the cause of the director or happens because of negligence from the director. Ease of Shareholder Suits Index tells us what power shareholders hold to challenge transactions. In this aspect there is a difference between China (4) and Norway (8). This means shareholders hold more power in Norway than in China. Extent of Shareholder Governance Index has almost the same difference as the previous index, with Norway having a score of 8,3 and China 4,7. Extent of Shareholders Governance Index measures shareholders rights through three dimensions: Shareholders rights and role in major corporate decision (Norway 7, China 3), extent of ownership and control, or governance protection of shareholders (Norway 8, China 2), and the corporate transparency on ownership stakes, compensation, audits and financial prospects (Norway 10, China 9). As we can see, in Norway, shareholders have stronger rights, but the transparency is almost the same.

Looking into the proceeding of resolving insolvency portrayed in Appendix 9, both countries liquidate assets of bankrupt companies. However, there is an attempt at reorganization in China before liquidation proceeds. In Norway, the administrator (one appointed by court) will run the company as usual until assets can be liquidized. In China the company will seize to operate, and assets will be sold in a public auction. It takes about 1,7 years in China to complete this process, and 0,9 years in Norway. The time may differ depending on industry and context. As we can see, the cost is a lot higher in China (22% of estate) than in Norway (1% of estate). Recovery rate tells us how much, in percentage, is recovered (or lost) in the process due to time and loss of value. In China (36,9%) the recovery is a lot lower than Norway (91,1%).

When analyzing the data of Getting Credit, the World Bank (2018) have ranked the legal rights, which we have reorganized with a side-by-side comparison in Appendix 6, and we found that the differences were minimal. The differences between Norway and China in Enforcement of Contracts in Appendix 8; time, costs, and quality of judicial process. In regard of time, it takes 85 days more to enforce contact in China. The costs are 5,2% higher in China, where the court fees are the main dimension creating the differences. The judicial process is close to similar, where the main difference lies in the case management. Case management is the qualitative and efficiency of the case system Meaning China has a more efficient and qualitative system than Norway.

6.2.9: European Chamber of Commerce in China – Survey

To understand the full extent of doing business in China, we have analyzed the 2017 Business Confidence Survey from ECCC. Analyzing this survey gives an insight into how European companies feel about business in China today, and how it will be in the future. Below is a summary of relevant information found in the survey:

- 50% of European businesses in China reported higher sales in 2016 than 2015. These industries had a increase in sales; Information and communications technology, automotive, machinery, cosmetics, environment and retail.
- More than 60% of the respondents ranked Chinas decreasing economic growth as the main reason for uncertainty in the market. Other reasons include lack of qualified workforce and increased salary levels. In addition, the level of debt is a major concern for most European business.
- 50% of the respondents reported feeling more welcome when they first arrived than today. The same percentage also reported that foreign investors and businesses are treated unfairly opposed to local investors and businesses.
- 15 % does not believe the economic strategy of China will improve openness towards international trade will improve. 40% believe that barriers will only increase within the 13th FYP timeframe.
- European businesses are positive about the anti-corruption strategy and IPR-protection, of President Xi Jinping.
- It is reported an increase in competition from privately owned Chinese companies due to increase in innovative capabilities.

6.3: <u>How</u> should BRK China Forum facilitate a community of Norwegian actors that share information?

To answer this research question, we plan on discussing all findings, but also using the following factors; willingness to share and the role of China Forum. The findings of these factors are acquired by interviewing experts to find information on the role of China Forum, and through interviews with the businesses to find out their willingness to share knowledge with other local businesses that will participate in China Forum.

6.3.1: Willingness to share

For BRK to make progress with China Forum, they need to know the interest from organizations within a local scale. To find out, we asked the respondents directly if they would have interest of a social platform where they as managers could meet, exchanging ideas and knowledge about the Chinese market and how to enter. Generally, what we found out was that it was a high interest in this topic, with some minor criticism. Agder Energi, Dyreparken, JMA Technologies, and VDG where all interested in China Forum, and wanted to participate to see what they could gain. VDG were a little bit more restricted because they first had to know the intension of China Forum, and which industry BRK China Forum were focusing on when moving into the Chinese market. If they could not be given a somewhat security from BRK China Forum regarding this, they would be more reserved.

Svein Olsen at Anzyz Technologies were the only one that thought that this was not going to help. From his perspective, he meant this was the wrong approach to reach the Chinese market, because the skeptical view he had on the Chinese people being interest in operating and cooperating with Norwegian businesses. Furthermore, he said that the correct attitude would be to realize that the Chinese market has more to offer than the West can offer China. Even though being skeptical to the idea, he stated that if BRK China Forum could fill a need in the Chinese market, China Forum would absolutely be of interest.

Further, the respondents at Agder Energi and Dyreparken said that they would be very interested in participating to China Forum, where they could share their thoughts, ideas, and knowledge with other local businesses. Even though none of them had any intention currently of moving into the Chinese market, or getting more Chinese customers/investors, they would surely be interested about learning more about the Chinese culture and gaining knowledge for futuristic actions.

We also asked Agder Energi, Dyreparken and VDG if they would be interested in joining a trip to China after the summer. Here we got some variety of answers, where issues were if it fitted into their time schedule, if it was commercially related, and if they were given the security that China Forum would focus on relevant industry sectors.

In terms of risks and challenges for sharing knowledge with other Norwegian businesses, none of the respondents thought that it would be an issue and was very positive around helping each other out. But, as mentioned earlier, there was issues concerning around whether they would have time available, and if China Forum would have relevance. VDG was interested in this project but wasn't necessarily too eager to contribute if they would have nothing to gain from China Forum. They needed to have confirmation from the China Forum that they would focus on their specific sector and that China Forum could help them establish a network in China. If not, they would be more passive about joining the cluster since they have a very hectically timeframe. Agder Energi were interested in sharing knowledge with other Norwegian companies but were not so sure how they could benefit from it, including that they had no intensions of moving into the Chinese market. Nonetheless, they were eager to participate and learn new knowledge on the Chinese market and see what China Forum could contribute with.

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6.3.1: China Forum

To see the benefits of creating BRK China Forum, we asked Henning on how this initiative could help organizations in Kristiansand. First, Henning said that this would open doors for the businesses who wants to enter the Chinese market. This Forum can help building a bridge between the Norwegian and Chinese market. It will facilitate for those that have ambitions to reach the Chinese market and will also help reducing the risks and barriers of entering the Chinese market. Some of the businesses in Kristiansand have experience from operating in the Chinese market and can be of great help to those that have little knowledge that wants to learn more. Henning also had some inside information, knowing that there already existed interest from some cities in China to work on a city-to-city collaboration.

Chapter 7: Discussion

In this chapter we would like to explain what our findings means and try to clarify what we can learn from the findings.

7.1: Are Norwegian businesses aware of the value knowledge sharing creates?

From our findings we found out that knowledge sharing was of high importance in the organizations. All respondents were focusing on building an organization where knowledge was shared throughout the entire organization.

7.1.1: Human dimensions

As Stenmark (2001) expressed the need of a reward mechanism, this was also present in all organizations, where the intangible assets were the reward for motivating employees to share knowledge. At VDG they had less of it considering they were less than 40 employees, and mainly managers, as regular employees worked in other departments. When it came to psychological ownership of knowledge, we got the impression that this was not something that concerned the organizations because they were fostering a sharing community, and therefore employees that didn't want to share knowledge were not recommended to work for them. It may seem that this factor is not as relevant today as it was in the past when knowledge sharing was still an unknown phenomenon. Things have changed and according to the findings, all three respondents were focusing on having an open platform where they all shared knowledge.

7.1.2: Organizational dimensions

There were many platforms for the employees to communicate, where they took use of Workplace, SharePoint, Skype, and e-mail. They also had physical meetings every week to report recent news, as well as having lunches and breakfast meetings together. Cabrera & Cabrera (2005) said that it was important to train employees to communicate and collaborate. Using Workplace as a tool to communicate internally, both Dyreparken and Agder Energi had gotten feedback that this was working quite well. It seems that apps like Workplace, should be more and more utilized in organizations because it makes the organization more composed. What we also understood was that e-mails were getting less used internally because of better communication platforms such as Workplace, and therefore e-mail was mostly used only for external communication. In theory, Levine (2001) argued that organizations that supported knowledge sharing among its members as well as being open-minded to multiple view-points, would more likely succeed making processes more effective and efficient. This was also the case for the respondents, as they all wanted the employees to know that they were focusing on openness and they appreciated those who shared knowledge with co-workers. There was also a friendly approach to failure, because both Agder Energi and Dyreparken encouraged their employees to take chances, leading to more responsibility for the individual employee. This is a very healthy approach to culture, where organizations according to Storey & Barnet (2000) can learn from their mistakes. What we have seen from all three companies is that they have a very modern and motivating culture. Since they have a high degree of openness, trying to make knowledge sharing a routine, they are ensuring a culture where it is natural to share, as well as motivating the employees to work as a team.

The findings further showed us that the management at each organization attempted to show that they wanted to create a working society based on trust, positivity, and honesty. Additionally, everyone focused on having a transparent organization. For the managers it was important that they built the organizational society in such a way that everyone could know what the others were doing. In such a way they made employees more aware of their internal surroundings. This is according to Nonaka et al. (2000), described as clear leadership, and it helps the employees to constantly share and create new knowledge. There are especially two things we can learn from Agder Energi and Dyreparken. At Agder Energi they annually had a management audit where they reviewed the 100 best talents that could share their knowledge by moving them to other departments in the organization. According to Nonaka's SECI Model that we showed in the theory chapter, this is the process of how knowledge can be transformed and utilized. By moving knowledge workers to other departments, they take with them valuable knowledge which can be transferred to other employees. The employees can further teach other co-workers. When this process is created, employees will achieve a stronger and better knowledge on certain topics. This management audit will make sure that new knowledge is created because they make sure there is a constant flow of shared knowledge inside the organization. At Dyreparken they practiced transformational leadership, where Morten goes and work "on the ground" with his subordinates, in different departments, to both learn and teach his employees better. Transformational leadership has a very positive effect on a learning culture, where they encourage individuals and groups to use their creative minds to solve problems (Lee et al., 2010). Trust was also another important subject at the organizations. To achieve trust, they gave as many employees as possible some responsibility, where they could make decisions not having to ask for permission. According to Levicki & Wiethoff (2000) this kind of trust is one of the three different ways of achieving trust, where they through giving employees responsibilities they build up relationship with their subordinates. The Workplace app, which is used by both Agder Energi and Dyreparken, gathers the organization so that employees can have a much more open and friendly tone with managers at the organization. Even though the app is built up like a hierarchy, that is with purpose to show the structure of upper management. Communication wise, they practice a flat structure where everyone can communicate with each other, and therefore trust is facilitated. At Agder Energi they were also good at giving their employees opportunities to get better job positions, which both increased motivation and trust.

The world has come a long way in terms of technology. There exist vast amounts of different technology driven products and services that business can take in use, but the most important part is not what is available, it is the way the organization manages to utilize it (Davenport & Prusak, 1998). What we have found out is that technology that is used by the organizations is mainly e-mail, SharePoint, Skype and Workplace. E-mail as we described earlier was mostly used externally, so we see that e-mail is less used than before when it comes to internal communication. Workplace had taken over and with good reason. In contrast of e-mail which is a very impersonal platform, Workplace is the exact opposite, because it brings people together. Therefore, this platform is recommended for other organizations to use because it increases socialization at work, as well emphasizing trust and transparency in the organization. As Steffen at Agder Energi told us, they didn't use Workplace to store knowledge. We do agree on this part because if they use the platform for a variety of different options, the platform will lose its credibility. Therefore, organizations should use Workplace or similar apps that foster transparency and trust, but use other technologies to store knowledge, for example SharePoint, Energisk, Intranet and common folders.

7.1.3: Knowledge sharing summary

All in all, we consider all the three organizations aware of the value knowledge sharing creates in an organization. They are all trying to create a knowledge sharing culture and have done well by implementing the Workplace app to become a more transparent organization where trust and motivation are high. Building the organization where knowledge sharing is appreciated, was of great importance from the three respondents, which where one of the three key features of trust that Davenport & Prusak (1998) highlighted. Because of the high focus from the managers in the organizations to foster knowledge sharing, they encourage employees to share more valuable information, as well as being more motivated to share. They also felt that this helped to gain trust, alongside with giving the employees responsibilities, they observed a fluent sharing of knowledge inside the organization.

Having this efficient use of knowledge sharing is positively related to how they can further practice knowledge sharing in China Forum. The way they handle knowledge sharing internally could be transferred to the way knowledge sharing will be performed in China Forum. Opening themselves for how they practice knowledge sharing is a great start for how they can encourage others to both participate and discuss in the forum.

7.2: <u>Why</u> should the BRK China Forum facilitate a community of Norwegian actors that share information?

From all the interviews we had we can conclude that there exists an interest from local businesses to join China Forum. Most respondents said that they had some interest in the Chinese market even though they were not focusing on it. There was still a huge interest of learning more about the Chinese culture and the Chinese market. Some may want to establish in China quickly, while others wanted to see what possibilities China holds for the future. Most of them also wanted to contribute to China Forum by participating and having presentations.

Further, most of those we interviewed had a lot to contribute with when it came to topics that were relevant for the Chinese market. For example, Morten explained how to create a relationship with the Chinese people, stating “You’ll need to treat them as you would like to treat your best friend”. Steffen explained they are working incredibly fast and that it is important to learn their culture before you do business with them. Svein expressed that businesses should be aware of the many pitfalls of entering the Chinese market, avoiding the failures that previous businesses have encountered. What we understand is that there is a lot of resourceful individuals that have a lot to offer China Forum. Creating a platform where managers come and sit together, share experiences, thoughts, and knowledge, that will aid them in creating new knowledge which will further help them on their way into the Chinese market.

7.2.1: Challenges and barriers for Norwegian businesses in China

The business respondents viewed China Forum as a great platform where local businesses could meet and share knowledge, as well as building a local network. There was also a fair agreement on that this could help reduce the risks of entering the Chinese market, where they could discuss in open forums what will work and what will not, because there is not uncommon that there exist pitfalls when entering the Chinese market and when doing business. All respondents were aware of the big picture around China and that one had to step cautiously into the Chinese market but didn’t go that much into detail. Therefore, we want to highlight some of the core aspects of possible challenges in China, as well as how it is to do business in China based on what we understand from theory and findings. From theory and findings, we see many challenges that Norwegian businesses will have to deal with. When going into the Chinese market they will first need to be aware of the governmental influence. The government controls almost everything and it is said that they control 76% of all businesses in China. As it is arguably most important to establish a good Chinese network, one also should take note that becoming too reluctant on political ties will increase the chance of an intervention from the government. Corruption still plays a major role in the Chinese market as they are listed as number 77 out of 188 countries in the corruption scale from the World Bank (2017). This is corroborated in the ECCC survey, where 50% of the respondents reported that they feel unfairly treated compared to their Chinese counterpart. However, European businesses are positive about the anti-corruption plan of

President Xi Jinping. Besides being unfairly treated China Forum should also be aware of how many procedures includes bribery and pay-offs under the table. Foreign businesses have reported that it was difficult to fight with the judicial system because of corruption (GAN Integrity, 2016). If a foreign business wanted to sue a Chinese business, they would probably fail because the Chinese business had much more influence because of their network and political power. Many more institutions were also corrupted, such as the police, the land administration, tax administration, and several others as mentioned in the theory. According to GAN Integrity (2016), the police department is unreliable when enforcing the law and rights of foreign businesses, while the tax and land administration are considered the ones that receive the most gifts under the table. Furthermore, as we saw in the findings, dealing with the construction permits was one of the most corrupted areas, whereas you cannot buy land, but only the right to use the land as the state have issued total ownership of land in the country. The problem will be that if you have paid for the right to use the land, the government can if they will, charge or demand more. In addition, the Chinese working class has developed along with the country, which means the salary levels have increased but the quality of the workforce is still lacking, according to ECCC survey.

From the answers we got, we did get an impression that all were aware of the importance of learning the culture and the Chinese market, but we didn't get much specific information. From theory, these organizations can get an overview of the Chinese culture by interpreting the Hofstede 6-D Model. The model stated that there was a huge gap of differences in the four dimensions: Power, Individualism, Masculinity & Long-term orientation. It is important to know that the Hofstede Model categorizes the entire Chinese population as having a similar culture, when in fact culture differs for each region. Hence, we will explain the cultural view that is most common in China. A totally different cultural aspect from a Norwegian viewpoint, is that the Chinese people will accept the fact that there will be inequality in the society, such as corruption. The people will care much about the social status, so if the opportunity is given and they can take your position even though you have created tight bonds, that will in many cases be normal for a Chinese person because it lies in their nature to step on others to achieve greatness. Norwegian businesses should also know that Chinese businesses practice hierarchical structures, which corresponds to their focus on social status. From our observations in the Royal Norwegian Consulate General in Guangzhou, we saw that attaching high governmental officials to introductory meetings ensured a higher interest from the Chinese delegations, which correlated with the Chinese cultural view on status and position.

Further, from our observations, we can also confirm this because when Chinese workers introduced themselves to us, they always had fancy position-names. It means that if they for example were a normal employee at a law firm, they would promote themselves as being a lawyer responsible for legal and confidential documents, when in fact they are simply a paralegal, as Norwegians would introduce themselves in Norway.

Further, when it's time to hire Chinese employees, difficulties will arise when businesses find out that individuals may only work for their own intentions, rather than the organizational goals. From our understanding it would be wise to not hire family members because that will make the groups separated. It is normal to hire family members and close connections at Chinese organizations, and thus making it harder for others to apply for positions at the organization. While this is a common phenomenon, it is wise to be aware of the fact, because family related staff in China often choose to be very unhelpful for other groups in the same organization because they only work for what is best suited for the "in-group". In addition, Steffen at Agder Energi said, that the Chinese market adapt at a very fast pace. China, being a very pragmatic culture, are more willing to change their habits, while Norwegians are more traditional and want safe environments. Because of China having a high degree of adaptability, they are also moving very fast in the technological world. As Steffen told earlier, they were leapfrogging, and hence the technological adaption moves much faster than it does in the western world. Last thing is that Chinese people are not very religious. While it is very common to discuss beliefs in the western world, philosophies are more practiced in the east. China is a proud country with a long history, which they still like to transfer to the younger generations. The Chinese people have for many ages been following the ethical behaviors in the Confucianism, which consists of being respectful to the elders and their father, showing strong commitment to your superior without questioning their leadership, and trust being the way to maintain relationships. These principles are still strong and being practices all over China. From observations we could see that the youngest generation was more on a changing trend. The younger generations in China have been more influenced by western culture and have become more open towards foreigners.

From the World Bank (2018) we learned that dealing with the government and institutions are a common theme when establishing a business in China. Through the Business Ranking (2018), we learned that, compared to Norway, China has a lot of steps involving a lot of different institutions and departments. Dealing with all these procedures is very different from Norway (where most of the steps can be done online). In addition, all these steps will involve different departments, leading to the issues discussed above to become a repeat occurrence. The processes of establishing a business take a lot more time in China, excluding the time it takes to navigate the previously mentioned difficulties. As mentioned in the strategy of China, the institutions affecting international trade relations will be altered, we assume this will affect the process of starting a business but may potentially become lean once completed. Analyzing the Business Ranking data, we discovered that the barriers for market entry is clearly visible in the processes of starting a business in China. Cultural barriers create more problems for foreign businesses when having to deal with different institutions. As businesses go through all the steps of starting a business in China, they also need to be aware of the cultural differences, which creates an even bigger issue for starting business in China. As for governmental influence, the intervention and corruption from all the different institutions makes the establishment of business in China even more difficult than it already is. The reason behind this, is that the time estimation from World Bank (2018) is under normal circumstances and does not incorporate potential corruption payments, and assumes all information is already available. Adding cultural and governmental barriers to the timeframe will possibly increase the time, and cost of establishing a business in China.

7.3: How should the BRK China Forum facilitate a community of Norwegian actors that share information?

For BRK to succeed with China Forum, they should take advantage of all organizations that have been in China. These organizations can contribute with a vast amount of valuable information and knowledge to the other local parties that will join China Forum. By creating a platform where both organizations that have experience from China, and organizations that want to operate in China, they can share knowledge related to barriers and challenges discussed in chapter 7.2

Not only is it important to invite managers from local businesses with experience from the Chinese market, but it can also be clever to invite experts on the field. In this master thesis we have interviewed both Jens Glad Balchen and Henning Kristoffersen and they have a lot of knowledge they can share with businesses in Kristiansand. These experts can contribute with important knowledge of the Chinese market and how to do business in China. Listening to experts is perhaps the best and secure method to be aware of the risks that comes when entering China.

Further, they should act on the advice from Jens Glad Balchen which was to establish a representative office in China, where all the local businesses members of China Forum can have access to. Jens stated that the office in China should be operated mainly by a local workforce with a Norwegian leader. This will provide an information center in China, where businesses from Kristiansand can get assistance, and creating a direct link with the Chinese market.

Important headlines that will need to be discussed at China Forum is that procedures take forever. The authorities will use long time to proceed with their cases, therefore one should have patience while doing business in China, which was also stated by the World Bank (2018). Another topic of great importance, which VDG, Morten and Henning confirmed, was to gain good reliable contacts in China. According to Li (2005) it was important to create relationship with government officials and managers at other organizations in China to get more valuable market information. Henning added that the person businesses choose to be their partner in China is the most vital choice they do when entering the Chinese market. Picking a foreigner with good connections was not good enough, but one had to find a Chinese person that had good reliable connections, who could introduce the business to its Chinese partners and be a voice for the business in China. For BRK to be of relevance, they should assist business members of China

Forum with establishing connections in the Chinese market. As Henning stated, this was the most important and crucial decision businesses entering the Chinese market made. Going in to quickly, not investing time in establishing good reliable contacts are some of the most common failures businesses make when entering the Chines market.

Henning stated that the market situation in China has changed, where the Chinese market has become more accessible, available and relevant to smaller businesses. BRK China Forum should enlighten small and medium sized businesses about this opportunity. Internationalization has influenced technological innovation to make the world more accessible, making it easier for small and medium sized businesses to go international. Henning introduced us to nHack which is a business that helps entrepreneurs and smaller businesses to turn ideas into reality in the Chinese market. Chris Rynning, which is one of the initiative takers of nHack, is a potential expert that BRK should contact for further advice on how to proceed on their project.

Chapter 8: Conclusion and final comments

In this chapter we will begin by answering the three research questions, which combined will answer the research purpose: *"What strategy should BRK implement to increase business relations with the Chinese market"*. Moreover, we will include limitations on the research, and then we will end it with giving our suggestions on further research.

8.1: Conclusion

In this thesis we have researched how important the practice of knowledge sharing is for local businesses in Kristiansand. We have also highlighted the challenges for BRK China Forum and researched how to facilitate it. The research has been conducted through many aspects. We have used theory and previous studies, semi-structured interviews, as well as doing observations on our own. Based on this research we have analyzed the findings to draw conclusions on our research questions.

Research Question 1:

Are Norwegian businesses aware of the value knowledge sharing creates?

The findings showed us that all three (Dyreparken, VDG, & Agder Energi) were practicing a high degree of knowledge sharing in their organizations, where only minor differences separated them. Managers were paying much attention to transparency, trust, and the flow of knowledge sharing in their organization, and had implemented several procedures to encourage knowledge sharing. Because of their initiatives by giving employees responsibility and establishing transparency at work, they achieved a high and indirect flow of knowledge sharing in the organization, as employees become more willing to share knowledge because of the trust they received from the management. All respondents were aware of the value knowledge sharing created. When the employees shared knowledge, the entire organizations gained new knowledge which was utilized, and applied to operate in a more efficient way.

Research Question 2:

Why should the BRK China Forum facilitate a community of Norwegian actors that share knowledge?

The main competitive advantage of sharing knowledge between the local Norwegian businesses, is that they can reduce the risks of entering the Chinese market. By participating in the BRK China Forum, Norwegian businesses can gain knowledge from other local businesses, businesses having experience with doing business in China, and experts on Chinese market.

Identifying the current situation in the Chinese market, including barriers and challenges, will allow China Forum to anticipate what type of knowledge is recommended to provide a competitive advantage when entering the Chinese market. This can be done by providing knowledge of the relevant barriers and challenges, which can reduce the cost and time of the market entry. In this research we have identified that cultural differences and governmental influences that is the main barriers and challenges that BRK China Forum should try to reduce.

Research Question 3:

How should the BRK China Forum facilitate a community of Norwegian actors that share knowledge?

China Forum can be a great platform for Norwegian businesses to share knowledge on how to enter the Chinese market. As knowledge sharing in the organizations was highly visible, we can confirm that knowledge sharing from the local businesses will be without problems. There are certain ideas that BRK China Forum should have in mind trying to execute this. We have come up with five recommendations (no particular order) on how to best facilitate China Forum. First, they should establish a representative office in China which the business members of China Forum can have access too, which can create a direct link to China. Second, they should invite businesses with experience of doing business in China, as well as inviting experts on the field, that can contribute with much valuable knowledge on the Chinese market. Third, they should establish a formal platform (i.e. conferences) where they can discuss in general about the

Chinese market, and informal discussions where businesses can discuss specific topics that is of relevance to their industry. Fourth, they should enlighten small and medium sized businesses of the new possibilities that have opened in the Chinese market. Because of the technological innovation that have been influenced by internationalization, the world has become more accessible, making it easier for entrepreneurs and smaller businesses to go international. Lastly, and perhaps the most important advice, is that for BRK to be of relevance, they should assist business members of China Forum with establishing connections in the Chinese market. The experts specified that establishing a network is of great importance and selecting a partner in China is the most crucial choice businesses make when entering the Chinese market. This is a very difficult process, so if BRK can contribute with this matter, China Forum would be of great relevance for those that want to enter the Chinese market. BRK China Forum can assist in this situation by attaching high ranking officials to introductory meetings.

8.2: Limitations of the study

There are a few limitations on this study because of the data collecting approach. Because of few interview candidates, and interviews with businesses from totally different sectors, the generalizability is weak. However, the research was conducted through a qualitative approach, which makes the quality of the answers strong and was aimed to get a better understanding of a complex phenomenon.

For this study we chose a semi-structured interview because we wanted the conversations to be free and open for the respondents. Practicing this method, interviewing through both face-to-face and over the phone, with a semi-structured approach, the answers can get very different, and therefore the reliability may be questioned. Also, since the study wanted to investigate internal procedures, some information may have been withheld from the respondents, as trust between the interviewer and the interviewee have an impact on the discussion.

Nonetheless, the questionnaire was carefully planned, and the interviews was perceived as very professional, given clear and truth worthy answers that was relevant for the research questions.

There can also be critical assumptions on the choice of interview candidates. The intention was to book a qualitative interview with all respondents, but due to the busy working schedules and temporary small interest on the subject we only managed to book three interviews, while the rest had to be done through phone calls. Interviews thorough phone calls will not be as efficient as meetings with the interview candidates physically. However, the information we managed to get from the respondents were of great value for the study.

While the abovementioned limitations have weakened the quality of the study, the complexity of the phenomenon we have researched has given us a deeper understanding, while we also have managed to bring more awareness on China Forum for the respondents in this thesis. Therefore, we would argue that the insights and answers we have discussed will be of great value for the BRK China Forum.

8.3: Future research

Future research should enrich the grade of willingness from other local businesses to participate in China Forum. A more quantitative approach can be executed to discover the interest from local businesses on China Forum.

Furthermore, we recommend that future research analyzes a different perspective, by acquiring data from Chinese businesses collaborating with Norwegian businesses. Another possible research area would be to research how to attract Chinese investments into the Norwegian market.

When it comes to elaborating this research, we recommend acquiring more data from Norwegian businesses currently operating in the Chinese market to get more specific information about challenges and barriers. This is to fully identify how market entry is experienced by Norwegian businesses.

Lastly, we recommend that future research targets the specific industry BRK China Forum chooses to focus on, and in what region. The reason for this is that culture in China varies from region to region, and that there are industry specific challenges when entering the Chinese market.

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List of figures

Abbreviations

13th FYP	=	13th Five-Year Plan
BRK	=	Business Region Kristiansand
CPC	=	Communist Party of China
ECCC	=	The European Chamber of Commerce in China
GDP	=	Gross Domestic Product

Appendix

Appendix 1

BUSINESS RANKING

Topic	China (DB 2018 rank)	Norway (DB 2018 rank)
Starting a business	93	19
Dealing with construction permits	172	21
Getting electricity	98	23
Registering property	41	14
Getting Credit	68	77
Protecting Minority investors	119	10
Paying Taxes	130	28
Trading across borders	97	22
Enforcing Contracts	5	8
Resolving Insolvency	56	6

Appendix 2

STARTING A BUSINESS

	China	Time	Norway	time
1	Obtain a notice of pre-approval of the company name	1 day	Deposit start-up capital in a bank	< 1 day
2	Apply for a business license certificate with SAIC	7 days	Submit the application with the regsiter of Business businesses, file for vat registration and file for employeer registration	< 1 day
3	Obtain an approval for the company seal from the police department	1 day	Arrange for mandatory occupational pension plan for employees	3 days
4	Make a company Seal	1 day	The employer enrolls in the mandatory workers injury insurance	1 day
5	Apply for an authorication to print or purchase financial invoices	10 days		
6	File for recruitment registration with the human resources management department at the district employment promotion Center	1 day		
7	Register the company's emplpoyees with the social welfare insurance center	1 day		

Appendix 3

CONSTRUCTION PERMIT PROCESDURE

	China		Norway	
	Procedures	Time to Complete	Procedures	Time to Complete
1	Request and obtain an environmental evaluation	30 days	Obtain a site-plan map from the Municipal Building Authorities	0.5 days
2	Obtain a geo-technical study / soil test	30 days	Hold advance conference with the Municipal Building Authorities	14 days
3	Request and obtain land use and various planning conditions approvals	20 days	Notify all surrounding neighbors of the future construction	1 day
4	Request and obtain construction project planning permit	28 days	Obtain approval of the Health Authorities	10 days
5	Obtain review of building drawings by a building drawing examiner authorized by the Shanghai Construction Project Document Review Center (Construction Committee) and obtain a letter of notice	20 days	Obtain approval of the Environmental Authorities	10 days
6	Register construction drawings at the Civil Defense Office	10 days	Obtain approval of the Road Authorities	10 days
7	Hire an authorized supervision agency	1 day	Obtain approval from the Water and Sewage Authorities prior to construction	10 days
8	Request and obtain evidence of capital from bank	1 day	Obtain the frame permit (first step of the building permit)	84 days
9	Register for direct contracting of design and construction	1 day	Obtain the start-up permit and present a control registration form	21 days
10	Have the building contractor and supervisor seal the application form	1 day	Apply and obtain a certificate of completion from the Municipal Building Authorities	10 days
11	Request and obtain building permit	21 days	Obtain water and sewage connection	1 day

12	Request and receive fire department inspection upon building completion	15 days		
13	Request and obtain certificate of the completed construction from the fire department	15 days		
14	Receive inspection of the completed construction from the Shanghai Bureau of Planning and Land and Resources	21 days		
15	Receive "Four-Party" inspection	1 day		
16	Receive inspection of the completed construction from the Environmental Protection Department	30 days		
17	Request opinion on whether construction project is lightning-proof	14 days		
18	Request and receive inspection on construction completion from the Shanghai Urban Construction and Communications Commission	1 day		
19	Request and obtain certificate of completion and certificate of final inspection from the Shanghai Urban Construction and Communications Commission	21 days		
20	Obtain water connection inquiry and request water and sewage connection	7 days		
21	Receive water and sewage inspection	1 day		
22	Receive connection to water and sewage services	49 days		
23	Register building with Real Estate Registry	30 days		

Appendix 4

GETTING ELECTRICITY

	China		Norway	
No.	Procedures	Time to Complete	Procedures	Time to Complete
1	Submit application to utility and await power supply plan and estimate	61 days	Sign supply contract with electricity distribution company	1 day
2	Pay estimate and get design for external connection reviewed	14 days	Submit application to utility (Hafslund) and await estimate	37 days
3	Purchase material and carry out installation	45 days	Receive estimate and obtain external works from Hafslund's subcontractor	21 days
4	Submit report to utility and await final internal and external inspection	14 days	Report completion of internal wiring and receive meter installation and electricity flow from Hafslund	7 days
5	Receive meter installation and connection to grid	11 days		

Appendix 5

REGISTERING PROPERTY

	China		Norway	
No.	Procedures	Time	Procedure	Time
1	Parties enter into contract and pay taxes	1 day	Submit an application for registration of transfer at the land Registry	3 days
2	Parties file the application at the Real Estate Registry	26 days		
3	Parties pay registration fee	1 day		
4	Parties obtain new title certificate	1 day		

Appendix 6

GETTING CREDIT

	China	Norway
Strength of legal rights index (0-12)	**4**	**5**
Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	No	No
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	No	Yes
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	Yes	No
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	No	No
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	Yes	Yes
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	No	Yes
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	Yes	Yes
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	Yes	Yes
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	No	No
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	No	No

	China			Norway		
Depth of credit information index (0-8)	Credit bureau	redit registry	Score	Credit registry	Score	
Are data on both firms and individuals distributed?	Yes	Yes	1	Yes	No	1
Are both positive and negative credit data distributed?	No	Yes	1	No	No	0
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	Yes	No	1	No	No	0

Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	No	Yes	1	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	Yes	1	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	Yes	1	Yes	No	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	Yes	1	Yes	No	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	Yes	1	Yes	No	1
Score ("yes" to either public bureau or private registry)			8			6

Appendix 7

PROTECTING MINORITY INVESTORS

	China		Norway	
Answer	**Score**		**Score**	
Extent of conflict of interest regulation index (0-10)		**5**		**4,7**
Extent of disclosure index (0-10)		**10**		**7**
Which corporate body is legally sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in published periodic filings (annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0	Disclosure on the transaction only	1.0
Must Buyer immediately disclose the transaction to the public and/or shareholders? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0	Disclosure on the transaction and on the conflict of interest	2.0
Extent of director liability index (0-10)		**1**		**5**
Can shareholders representing 10% of Buyer's share capital sue directly or derivatively for the damage the transaction caused to Buyer? (0-1)	Yes	1.0	Yes	1.0
Can shareholders hold the interested director liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0	Liable if negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Not liable	0.0	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	No	0.0	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0	No	0.0
Is Mr. James disqualified or fined and imprisoned upon a successful claim by shareholders? (0-1)	No	0.0	Yes	1.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0	Only in case of fraud or bad faith	0.0
Ease of shareholder suits index (0-10)		**4**		**8**
Before suing can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0	Yes	1.0

Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	No	0.0	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	No	0.0	No	0.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Yes	2.0	Yes	2.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	At the discretion of the court	0.0	Yes if successful	1.0
Extent of shareholder governance index (0-10)		**04.jul**		**08.mar**
Extent of shareholder rights index (0-10)		**3**		**7**
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	No	0.0	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0	Yes	1.0
Must shareholders approve the election and dismissal of the external auditor?	No	0.0	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	No	0.0	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	No	0.0	No	0.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0	Yes	1.0
Assuming that Buyer is a limited company, must all members consent to add a new member?	No	0.0	No	0.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	Yes	1.0	Yes	1.0
Extent of ownership and control index (0-10)		**2**		**8**
Is it forbidden to appoint the same individual as CEO and chair of the board of directors?	No	0.0	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	No	0.0	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0	Yes	1.0

Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	No	0.0	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	No	0.0	No	0.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	No	0.0	Yes	1.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	No	0.0	Yes	1.0
Extent of corporate transparency index (0-10)		**9**		**10**
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0	Yes	1.0
Must Buyer disclose information about board members’ primary employment and directorships in other companies?	Yes	1.0	Yes	1.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	No	0.0	Yes	1.0
Can shareholders representing 5% of Buyer’s share capital put items on the general meeting agenda?	Yes	1.0	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0	Yes	1.0
Assuming that Buyer is a limited company, must members meet at least once a year?	Yes	1.0	Yes	1.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	Yes	1.0	Yes	1.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0	Yes	1.0

Appendix 8

ENFORCING CONTRACTS

Indicator	China	Norway
Time (days)	**485**	**400**
Filing and service	35	40
Trial and judgment	210	300
Enforcement of judgment	240	60
Cost (% of claim value)	**15,1**	**9,9**
Attorney fees	7,6	8
Court fees	5	1,3
Enforcement fees	2,5	0,6
Quality of judicial processes index (0-18)	**15,5**	**11**
Court structure and proceedings (-1-5)	4,5	3,5
Case management (0-6)	5	2
Court automation (0-4)	3	3
Alternative dispute resolution (0-3)	3	2,5

Appendix 9

Resolving insolvency

Indicator	**China**	**Norway**
Proceeding	liquidation (after an attempt at reorganization)	liquidation
Outcome	piecemeal sale	going concern
Time (in years)	01.jul	0.9
Cost (% of estate)	22.0	1.0
Recovery rate (cents on the dollar)	**36.9**	**93.1**

Appendix 10

Intervjuguide

Innledende samtale

1. Har du hørt om begrepet Knowledge Management?
2. Kan du beskrive de interne kommunikasjonsprosessene i bedriften?
3. Hvordan har du erfart til nå kunnskapsdeling mellom norske aktører?
   - Hvordan foregår kommunikasjon? Hyppighet? Metode?
4. Ser du evt. utfordringer eller fordeler med å dele informasjon med andre aktører?

Kunnskapsdelingsfaktorer

1. Hvordan foregår kommunikasjon i dag?
   - Flat struktur eller opp ned (Hierarki)?
2. Tilrettelegger dere for formelle og uformelle møter før, imens eller etter et prosjekt er utført?
   - Hvordan? Hvordan oppretter dere møtene? Møtes dere? En/flere som har ansvar?
3. Ut ifra ditt ståsted, hvordan flyter kommunikasjon mellom de ansatte? Mellom de ulike avdelingene? Deler dere all kunnskap med hverandre eller blir noe holdt igjen mellom avdelingene?
4. Er det en spesifikk organisasjonskultur som blir fremmet?
   - Hva vektlegger dere? Ønsker dere åpenhet? Mer effektivt arbeid? Hvordan takler dere en situasjon hvor noen har begått en feil? Har de ansatte noen form for påvirkning på beslutninger som tas av firmaet?
5. Hvordan belønner dere de ansatte?
   - Provisjon? Anerkjennelse? Gaver? Fri? Ros? Middag?
6. Hvis dere har noe form for belønningssystem, føler dere at det har noen effekt på de ansatte?
   - Deler mer kunnskap? Mer trivsel på jobb?
7. Føler du at de ansatte deler kunnskap med hverandre, uten at det direkte bør være jobbrelatert?
   - At de ikke føler seg presset av ledelsen til å dele kunnskap, men av egen fri vilje og interesse.
8. Hvordan lagrer dere informasjon og kunnskap?
   - Datasystemer? Hvilke(n)? Kan det systemet brukes til å dele kunnskap?
9. Hvor ofte hender det at de ansatte har noe å si som kan forbedres?
   - Har dere tid til å gjennomføre endringer raskt eller tar ting tid og man må vente?

Det kinesiske markedet

1. (Hvis det er noen) - Hvordan foregår kommunikasjon med de andre bedriftene som dere samarbeider med i det lokale området?

2. Hvilke tanker rundt det å etablere en plattform for kunnskapsdeling mellom norske aktører på Sørlandet har du? Hvilke utfordringer/muligheter ser du?
3. Oslo har NCCC (aktiv møteplass mellom de som har kinaerfaring og entreprenører) og Lillehammer har startet Kina Forum hvor de inviterer foredragsholdere med Kina kompetanse og erfaring, både næringsliv og akademia. Hadde dere ønsket å ha deltatt på slike arrangementer? Eller har du evt andre forslag som kunne vært tatt til betraktning?
4. Hva tenker du om det å ha et regionalt samarbeid med det kinesiske markedet?
5. I henhold til BRK så vil de prøve å etablere dette ved fysisk tilstedeværelse. Hadde du/dere vært interessert i å bli med de som med på dette forslaget fra BRK om å reise til Kina for å etablere kontakt?
6. Viktig for å komme i gang med Kina Forum er det at bedrifter deltar og deler kunnskap for hvordan man kan få kommet i gang. Er dere villig til å delta og evt holde presentasjoner for hjelpe andre bedrifter med mindre kunnskap?
7. Hva slags kunnskap har dere om det kinesiske markedet?
8. Har du evt spørsmål om Kina Forum som kunne vært interessant for deg/dere å bli besvart?

Rettet mot ekspertene

1. Hvordan skape kontaktnettverk i Kina?
2. Hvordan kan kunnskapsdeling være et konkurransefortrinn i det kinesiske markedet?
3. Hvilke utfordringer er de mest elementære ved å gå inn i Kina?

Reflection Paper

For Audun Svensson Albins Amundsen

The main theme of my thesis is: “How knowledge sharing can reduce barriers for entering the Chinese market”. Furthermore, the thesis involves (of course) the Chinese market, but also Norwegian businesses interested in the Chinese market. The idea behind the thesis, started during my internship at the Royal Norwegian Consulate General in Guangzhou, China. During the internship I analyzed the economic situation in China. During this process I discovered that China is currently the second largest economy in the world, and also the fastest growing economy in the world. The size of the market, and the strategic plan of China has made me very interested in exploring the possibilities that can be capitalized on. During the internship I was also introduced to the concept of Knowledge Management. Which in short, is the organization and application of knowledge within an organization, and how that knowledge can be used to create value. Exploring the concept of Knowledge Management, I firmly believe that in the near future, an organizations value is related to their knowledge rather than their other resources, products and services. These points lead to the objective of the thesis, which was to find a way to use knowledge management to capitalize on the growing market in China.

Findings show us that knowledge management, specifically knowledge sharing is an underused tool when companies go international. When entering a new market in a new region/country, there are a lot of challenges, barriers, and cultural differences that affect the strategy of entry mode. As we write in the thesis, organizations that want to enter the Chinese market, need a lot of knowledge related to challenges, barriers and cultural differences. Finding information on these issues in previous literature is relevant to the extent that you can identify the areas that the organization needs to be aware of. However, using knowledge sharing, to gain knowledge of the market entry process from someone who has done it before can provide better insight into how It actually works, and not how it works on paper. The thesis concludes that the cultural, and governmental barriers and challenges are the main knowledge organizations need to understand to reduce cost and time when entering the Chinese market.

Internationalizing

Internationalization forces that affect Business region Kristiansand, and the businesses in the thesis are the Chinese institutions, Diplomacy, globalization, and technological development and adaptability. When it comes to the Chinese institutions, Norwegian businesses interested in the Chinese market, will have to balance Norwegian, Chinese, and international laws and regulations. As stated in the thesis, the Chinese government has a corruption problem. This issue is being rectified in accordance with President Xi Jinpings wishes. However, in the current situation, corruption is still an issue. Norwegian businesses will have to balance the laws, and regulations (as well as the ethical norms) of their home country with the laws and regulations of the (in this case) Chinese government. The issue of corruption creates a problem when establishing a business in China, as well as when doing business in China. The problem is that to minimize time and cost when doing business in China, institutions and departments have to be bribed in order to expedite the processes. To reduce the issue of corruption, I believe knowledge sharing is the answer. If Norwegian businesses can share their knowledge (experiences) of dealing with corruption in China, the business can be better prepared to navigate the situation. In addition, it is important for Norwegian companies to establish a good connection with a local partner, as stated in the thesis. By establishing this connection, Norwegian businesses can acquire local knowledge of how to navigate corruption. Besides corruption, there is also the problem of governmental interference, with the Chinese government controlling 76% of the national assets, it is a high probability that Norwegian businesses will have to deal directly with state-owned businesses. Leading to the next internationalizing force, diplomacy. The diplomatic relationship between Norway and China can affect the state of business in the Chinese market. A couple of years ago, the diplomatic tension between Norway and China was causing difficulties for businesses operating in the Chinese market. As I was informed about during my internship, where official meetings (during the diplomatic tension) were postponed for unknown reasons, or just canceled.

The next internationalizing force is globalization. As the world becomes more globalized, the market competition increases, as more businesses can compete in multiple markets. This means that Norwegian businesses in China, will have to compete with both local businesses, and businesses from all over the country. I believe that using knowledge management can help give businesses a competitive advantage. As the world continues to develop new innovative solutions to different issues in all aspects of business, the competitive advantage of products and services change rapidly. My belief is using knowledge management, can help businesses stay competitive, by allowing businesses to generate value based on knowledge rather than product or service. Knowledge management can also assist businesses with continuous development of new solutions to continuously changing needs and issues, both in the market and internally in the business. The last Internationalizing force is technological development and adaption. China has become a country that is rapidly developing new technological inventions and are equally fast in adapting and applying this knowledge to the market. Which means that businesses operating in the Chinese market will have to be equally fast or faster in adapting to new situations.

Innovation

Knowledge management is not straight forward. Utilizing knowledge management will have different approaches depending on the context, industry, size, markets, and several other factors affecting the company. To apply knowledge management in an organization, you should be aware that as the context changes, knowledge management has to change with it. The process is not step-by-step, but rather a continuous (ever expanding) circle. As knowledge is shared among the employees, new perspectives are added to the knowledge, which in turn generates new knowledge, this process can be seen as an innovative. In addition this process is also applied to the service or product of the company. As previously mentioned, technological advancements and innovative new solutions are happening faster than ever before. This means that the consumer/customer can no longer anticipate their own needs. The consumer today is unaware of the potential technology of tomorrow. Which means that companies today should continuously work to improve or create new ways of filling the need of the consumer. However, the same problem applies to companies as with consumers, in that it is harder to anticipate future needs because of the unknown technological development of tomorrow. To counter this issue, companies need to continuously seek and generate new knowledge. China forum can be a platform for generating new knowledge, or new innovative solutions. In the case of China forum, this could be innovative new ways of entering a market, as well as the potential for creating new innovative ways of cooperation between companies in the same sector or different sectors, academia, and the public sector.

Responsibility.

Responsibility today is very important, the current resource usage in the world today is not sustainable. If we continue to produce and consume as we do today. We are currently using natural resources equal to what 1,7 earths can sustain. This is just one aspect of responsibility organizations, and humanity should be aware of. In the thesis, we have used two companies that are in the renewable energy sectors. These industries have a responsibility (in my opinion) to assist the local government with technology to improve sustainability. This of course does not mean the businesses should do this for free, but it does provide a new aspect of making money. The problem however, especially in China, is the less than optimal institutions governing business in China. As developing countries are introduced to new high technology, they leapfrog certain development stages like, industrialization. What I mean by this, is that the cultural development is not following the industrial development. As in the case of China, the fast-economic growth has led to a lot of institutions being created to regulate the ever-continuing development of new areas that needs to be regulated. This creates a cluster of institutions regulating different aspects of doing business, and as we see in China leads to, too many institutions overlapping in responsibility and creates a lot of issues when dealing with all of them. It can be easy for organizations in such a situation to give in to corruption and bribe their way through the process. Corruption is an major issue in doing business in China, it is a business responsibility to adhere to their ethical moral, to refrain from engaging in corruption. The problem lies in the resources (time, money, manpower) used to avoid corruption, and other (less ethical) businesses who does engage in corruption can save time, money, and manpower which will give them a competitive advantage in the market. I believe knowledge management can help reduce the issue of corruption, through the sharing of knowledge related to navigating the "institutional waters". Furthermore, engaging in knowledge sharing across international borders and cultures can provide new innovative solutions in how governments should regulate the market, and corruption.

Reflection Paper

By Lars Ole Christensen

Our dissertation has researched how knowledge sharing can reduce barriers for Norwegian businesses that wants to enter the Chinese market. China was the chosen country, as it both were of interest in terms of their huge economy, and because of Business Region Kristiansand most recently started with the project China Forum. The intentions of China Forum are to help local business in Kristiansand to enter the Chinese market. Because of the many challenges and barriers that comes when entering the Chinese market, China Forum can be of great interest for local business that don't how to proceed and need assistance for their entry strategy in China.

The research has been conducted mainly through semi-structured interviews, whereas some were shorter interviews with experts. This was done to gain knowledge on how knowledge sharing was executed at the different organizations, and to see if they saw the value of sharing knowledge. The interviews with experts on the field helped us to get a deeper understanding of the Chinese market, and to get ideas on how to best facilitate China Forum in Kristiansand.

The findings showed that there was a high degree of knowledge sharing in each of the organizations we interviewed. Through different implementations of procedures and the use of new technology services, organizations experienced the value of sharing knowledge. Further, as we were also interested in finding out both why and how China forum should be facilitated, the results showed us that there were many things to consider. In terms of why, China Forum was of high relevance to help reduce the risks for Norwegian businesses moving into the Chinese market, as they as a sharing community could let the sharing of knowledge be the key on how to deal with challenges of doing business in China. Governmental influence and huge differential cultures was the main barriers and challenges for Norwegian enterprises entering the Chinese market according to our findings. We also wanted to explain how China Forum should be facilitated. We found out that there were several things BRK China Forum could do, such as establishing a representative office in China, invite businesses with experience from operating in the Chinese market, and help the local Norwegian businesses to create strong and reliable connections in China, which we considered to be the most vital for the relevance of China Forum.

Internationalization

Since this thesis is researching on how business is done in China, there will be several external variables that will affect the entry mode for Norwegian businesses. Working on an international level means that an organization will have to follow international laws and regulations in their respective industries. China has a vast amount of different institutions which will makes the process of starting a business very confusing and difficult for Norwegian businesses based on their experience from Norway. Businesses also have to deal with the governmental institutions, which will be of high difficulty because of the barriers, such as language and corruption, which is difficult for foreigners to manage.

To be able to adapt and manage troublesome situations as dealing with the governmental influence and laws in China, Norwegian businesses will need to establish a good and trust worthy relationship with a local. The Chinese partner can help the Norwegian business dealing with the many challenges that comes with operating in the Chinese market.

Internationalization have also made the world much smaller which means that in such a popular country as China, there will be fierce competition from both domestic and multinational companies. This high competition in the market means that it will be much harder for companies to survive, as new products and services are created every day, as the Chinese market is influenced by the rapid development of innovative products, which is called leapfrogging. In order for businesses to succeed in China, they will need to maintain and continuously develop their products or services, so that the market influence and sales are not decreasing. The culture of China is very relevant to this particular matter as they are long-term oriented and view change as a positive thing, where the Chinese people are considered being very adaptable and having a high desire to test and buy products or services that will increase their happiness.

Innovation

The internationalization has made innovation much more relevant as innovation is the best method to survive in the market. In this scenario of China Forum, innovation is practiced by executing new methods on how to approach the Chinese market. History have told us many stories of unsuccessful companies that have entered the Chinese market, and therefore, creating a knowledge sharing platform for companies to share knowledge on how to best overcome the barriers and challenges of entering the Chinese market is a new way to think innovatively. Instead of operating as separate units, the utilization of knowledge sharing between companies can help create a more direct and secure entry for Norwegian business creating a competitive advantage for those with interest of moving into the Chinese market. Even though this isn't a new phenomenon, and similar clusters exists, this is not widespread in Norway. As for now, there are only two cities which provides the same narrow facilitation of knowledge sharing concerned with how to enter the Chinese market, which is Kristiansand and Lillehammer.

Innovation have also opened doors for entrepreneurs and small & medium sized companies because of internationalization. As entering the Chinese market was considered only being relevant for big resourceful organizations, innovation has come to change the picture. The size of the organization has less power today compared to the past, as innovation helps smaller enterprises to intervene in the market. If the bigger organizations don't manage to maintain and develop new sustainable products/services, they will in time be outperformed by smaller enterprises which have made innovative solutions for the society's needs. This is highly the case in China as multinational and domestic organizations invest high in R&D to maintain their position in the market.

Responsibility

There is no doubt that China is an interesting market for many organizations, but the businesses should also be aware of the weak institutions in China. China is a very corrupt country, as there exist many corrupt institutions, which will be difficult for businesses to handle that are used to operate in countries that is developed and where corruption play a minor role. When entering the Chinese market, the company will need to make decisions regarding corruption based on their ethical values. It is easy to be influenced by corruption and bribery, as it speeds up many processes of doing business in China, as well as it helps gaining short-term profits. In a long-term perspective it will lead to more negative effects, such as the organization being recognized by corruption and unethical behavior that will reduce the profit and customer base. In addition, if a business chooses to get to reliable on political connections because of the benefits it gives, it will also increase the chance for governmental intervention, which can further lead to the organization being too reluctant on corrupted actions in order to operate in the Chinese market.

If the foreign organization that operates in the Chinese market manage to be unaffected by the corruption and ethical temptations, the organization will receive positive reviews from the outside, for taking the role as fighting corruption, and thus being a role model for other organizations that are concerned on how to deal with the corrupt picture of China. Furthermore, President Xi Jinping have started an Anti-Corruption campaign to fight corruption, focusing on building institutions to fight corruption.

For China Forum, they will have to pay attention to the corruption that exists in China. When the project starts to get into the process of a city-to-city collaboration with China, the ones being responsible for the negotiations will have to bear in mind the circumstances that affects the way of doing business as previously mentioned. Agreements have to be cautiously gone through, as there are possibilities of being tricked by the Chinese representatives when doing business.