Important Enabler in the Knowledge Sharing Process:
Top Management Support

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Abstract—This quantitative survey carried out among accountants and managers revealed that individual and organizational enablers are critical in ensuring the success of knowledge sharing process, through knowledge donating and knowledge collecting. Knowledge of accounting information, whether it be financial or non-financial, is an important driver on the success of an organization. Successful companies ensure that important knowledge is shared throughout the organization. The results of this study show that top management support is an important enabler in the knowledge sharing process. The study provides an insight on how knowledge sharing should be integrated as part of the business strategies to improve business performance.

Keywords—enablers, top management support, knowledge donating, knowledge collecting, knowledge sharing process.

I. INTRODUCTION

In our current technology savvy world, businesses are knowledge-demanding. The awareness of companies on the importance of managing individual and collective knowledge has increased. In a borderless world and in a knowledge driven economy where specialized expert knowledge and problem solving know-how are crucial to bring a firm towards better performance, the possession and utilization of relevant and timely knowledge is as necessary as blood to a human body.

Many companies consider knowledge and information as vital resources for the managers, even as important as other resources such as raw materials, machineries, equipments and manpower. Knowledge assists managers to make good decisions on important matters such as outsourcing, discontinuing, redesign, cost reduction, product mix and product pricing [1].

II. RESEARCH ISSUE

With the increasing awareness on the importance of knowledge in a company, the practice of knowledge sharing is very crucial in leading a company towards better and improved performance.

[2] identified knowledge donating and knowledge collecting as two important components of the knowledge sharing process, while [3] examines the influence of the enablers on the knowledge sharing processes and whether it leads to firm innovation capability. [4] and [5] undertook studies on the relationship between knowledge sharing activities and organizational business performance. The results of a research done by [6] affirmed that the skillful administration of knowledge directed manufacturing companies towards innovation, creativity and originality, and thereby contributing to the high performance of the company. However, there is very little study on the relationship among knowledge sharing enablers, processes and the overall organizational performances.

III. RESEARCH OBJECTIVES

This study examined the influence of the knowledge sharing enablers, which are, the individual factors (trust, communication within the organization and self-efficacy) and organizational factors (top management support and organizational reward) on knowledge processes (i.e. knowledge donating and knowledge collecting) and the relationship with the firm overall performance. Therefore, this study was undertaken with the objectives of examining the relationship between the knowledge sharing enablers and the knowledge sharing processes.

The specific objectives of this study are as follows:

i. to determine whether the individual and organizational factors of knowledge sharing have any influence on knowledge collecting and knowledge donating.

ii. to determine the relationship between the knowledge sharing practices and the overall performance of the companies

IV. LITERATURE REVIEW

[2] defined knowledge sharing in their study as the process of exchanging knowledge by individuals which may lead to the creation of new knowledge, a process essential in translating the individual knowledge to organizational knowledge. According to [7], knowledge sharing is the process of information transfer where through learning and sharing from fellow workers, the individual capabilities are developed. Continuous improvement would lead to organizational effectiveness and the overall enhancement of operational and business performance. The major purpose of
knowledge sharing is to provide high efficiency, reliability and easy access to knowledge as to improve performance of the organization. [8] mentioned in their study that knowledge sharing relates to people and their actions. It creates an environment where the power gained is from knowledge sharing and not knowledge keeping.

[9] identified three types of knowledge sharing which consisted of shared knowledge of internal capabilities, shared knowledge of customers and shared knowledge of suppliers. Shared knowledge of internal capabilities was explained as the extent of shared understanding of firm’s internal matters such as management, process and manufacturing capabilities.

A study by [3] viewed the knowledge sharing process as enabled by “individual factors”, “organizational factors” and the “technology factors”.

A. Individual Enablers

“Enabler” is the mechanism that facilitates knowledge sharing within the organization, and it can relate either to individuals and the whole organization, that is, there is individual enabler and there is organizational enabler.

The individual enabler comprises of trust, communication between employees and self-efficacy [20].

1) Trust

Trust has been defined as the belief and confidence in another individual that result from reliability, honesty and sincerity [10], and it plays an important role in the process of knowledge sharing. Interpersonal trust or trust between co-workers is extremely important in the process of knowledge sharing [8]. The higher the level of trust in the organization, the greater the acquisition, retrieval and sharing of knowledge [11]. One of the most important factors for both employers and employees to exercise knowledge sharing in the organization is to have and maintain trust [12].

2) Effective Communication

Effective communication is important within the organization to establish and conduct knowledge sharing. Co-workers spend their time building up relationship and know what information that they would obtain and share with others. The establishment of communication channel enables knowledge sharing to take place among the organization’s members [11], who can participate in solving the company’s problems. Active communication can help the organization to develop a clearer vision of knowledge sharing expectations.

3) Knowledge Self-Efficacy

Knowledge self-efficacy is the self-perceived value of importance of shared knowledge to other group members [13], and is one of the factors that an employee would share information, knowledge or expertise with fellow employees. Knowledge sharing and knowledge self-efficacy are important determinants for business performance [14] through the provision of tacit knowledge [15].

B. Organisational Enablers

Organisational enablers include factors such as top management support and organizational rewards [20].

1) Top Management Support

In order to successfully attain the strategic goals of the organization, top management must ensure that clear and complete information is properly communicated to managers, who are involved in decision making [16]. The success of inculcating a conducive knowledge sharing culture in an organization depends highly on the support and commitment of the top management [17] because employees act in accordance to the direction of the top management [18]. Top management plays an important role in creating effective knowledge sharing routines. The active participation and effective involvement of top management enhance the knowledge sharing routines [13; 19] and is important in determining the success of the knowledge sharing process. [12]. The support of top management strengthens the willingness of the employees to donate and collect information in the organization [20].

2) Organizational Reward

The future value and the ability of an organization to generate a good financial result would rely greatly on the human capital. Should there be trust among the co-workers, there would be more openness and effectiveness in the communication. Employees require high motivation in order to share knowledge within the organization. Most of them would only share their knowledge or expertise if there are benefits to be gained.

Enhanced organizational resources and extra rewarding working environment would lead to higher information sharing initiatives [21]. Top management must acknowledge and provide reward to encourage knowledge sharing. Both tangible and intangible rewards would encourage knowledge sharing behaviours amongst the employees, but rewards and performance appraisal are the most effective method to encourage knowledge sharing [22].

Employees are encouraged to share their knowledge willingly with their colleagues when they have high expectations on the organizational benefits from knowledge sharing [20].

C. Knowledge Sharing

Knowledge sharing is defines as the process of exchanging knowledge by the individuals which may lead to the creation of new knowledge [2]. This process is essential in translating the individual knowledge to organizational knowledge. Individual capabilities are developed through learning and sharing from fellow workers [7].

The “process dimension” is the process of knowledge sharing that shows how the employees of the organization share their work related experience, expertise and knowledge with their co-workers. The knowledge sharing process includes “knowledge donating” and “knowledge collecting”.


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Knowledge donating is where employees are willing to communicate their personal intellectual capital with their colleagues. Knowledge collecting is where the employees consult with their colleagues to learn, gain knowledge from them and encourage them to their intellectual capital.

Continuous improvement of individual capabilities would lead to organizational effectiveness and the overall enhancement of operational and business performance.

The major purpose of knowledge sharing is to provide high efficiency, reliability and easy access to knowledge with the ultimate goal of improving the performance of the organization, although knowledge sharing relates to people and their actions [8]. It creates an environment where the power gained is from knowledge sharing and not knowledge keeping.

By extracting, sharing and making the most of the experience and know-how, the employees of a manufacturing company could improve the business performance through effective management of their intellectual assets [23]. Capturing and sharing knowledge are examples of some of the best practice among companies that have successfully established a culture of knowledge exchange. It is important for the manufacturers to instill the awareness in the employees on the importance of knowledge and knowledge sharing amongst the colleagues and the collaborating groups.

Hypothesis 1 is thus proposed:

H1: Individual Factors and Organisational factors have a positive relationship with knowledge sharing.

D. Knowledge Sharing and Business Performance

The adaptation of the culture to facilitate, sustain and encourage the sharing, utilization and creation of knowledge maximizes a company’s competitive advantage [24]. Knowledge sharing in an organization includes capturing, organizing, reusing and transferring experience-based knowledge from one employee to another [20], consequently leading to the enhancement of business performance.

Knowledge exchange and knowledge sharing have been characterized by [25] as a process of creating, codifying and disseminating. Knowledge is not always a free commodity, and therefore, can be considered as a business transaction process [26].

[27] argued that knowledge sharing among the employees would definitely add value to the organization. Growth in knowledge helps an organization to improve the overall business operations thereby improving the business performance. This knowledge encompasses knowledge of customers’ needs and attitudes, the best practice in the operations, process improvements and also expertise on product development. [6] offered a similar argument that business performance can be improved through increasing shared knowledge and through having a mutual trust, a common goal and uncomplicated communications.

The findings of a study by [20] affirm that a knowledge sharing culture by the collection and donation of knowledge of the employees within an organization do improve the innovation capability. Knowledge sharing opens the windows to opportunities for the organization to maximize their ability and increase their efficiency leading to competitive advantages and improving the performance of the organization.

The “outcome dimension” shows the result of knowledge sharing that would lead to the improved performance of the organization.

Knowledge sharing is important for a company to sustain its superior performance [28]. Through knowledge sharing, the company could improve their product quality, satisfy the customer needs, increase in product development, create new business and be ahead in the business market.

[7] explained that by sharing their knowledge, the employees of an organization develop a common understanding between them, and improving organizational knowledge. The common knowledge not only improves the capabilities of the workers but also increases organizational efficiency, effectiveness and overall business performance. The extensive process of knowledge sharing within the organization leads to the establishment of improved operation, product and services and new ideas [20]; and a better performance.

Similarly, [29] concurred that through knowledge sharing, employees have the ability to generate ideas, develop improved products and service and help the organization to improve business performance.

Hypothesis 2 is thus proposed:

H2: Knowledge sharing has a positive relationship with overall business performance.

V. RESEARCH METHODS

The study is conducted among the several companies in Malaysia, where the survey method was deployed and the target respondents were managers. Managers hold an office of authority or trust in an organization, such as a corporation or government, to manage the day-to-day business of the firm and to carry out the policies set down by the board. Decision-making, an important managerial function, requires the utilization of knowledge. Hence, managers are selected as the most suitable and relevant respondents in this study to provide views and responses on knowledge sharing in their organizations.

The structure of the questionnaires were divided into three sections namely Section A, Section B and Section C. Section A comprises the questions on the factors of the knowledge sharing in the organizations. Section B covers the questions on the performance indicators in the organization and Section C contained questions on demographic characteristics and other background information. In total, the number of responses that could be used for this study is 133, representing a response rate of 22.2%.
VI. DISCUSSION OF FINDINGS

A. Enablers and Knowledge Sharing

Table 1 shows the results obtained from regression analysis for the enablers, processes and the output, extracted from Model Summary, ANOVA and Coefficient Table. The result supports H1, that organizational and individual enablers have a positive relationship with the knowledge sharing process.

TABLE 1. REGRESSION ANALYSIS OF ENABLERS AND KNOWLEDGE SHARING PROCESSES

<table>
<thead>
<tr>
<th>Variables</th>
<th>Knowledge Donating</th>
<th>Knowledge Collecting</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Beta (β)</td>
<td>P value</td>
</tr>
<tr>
<td>Individual Enablers</td>
<td>0.265</td>
<td>0.003</td>
</tr>
<tr>
<td>Organizational Enablers</td>
<td>0.433</td>
<td>0.000</td>
</tr>
<tr>
<td>R Square (R²)</td>
<td>0.405</td>
<td></td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.369</td>
<td></td>
</tr>
<tr>
<td>P – Value</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

*Regression was significant at the level 0.05 (2-tailed)

The results from the analysis shows that organisational enablers have a bigger influence (β = 0.433) on knowledge donating than individual enablers (β = 0.265).

The results also show that individual enablers have a higher influence (β = 0.399) on knowledge collecting than the organizational factors (β = 0.268) on knowledge collecting.

Past experience with trust is believed to have a strong impact on a person’s belief in the future thus encouraging the people to collect information for personal gain and also for the benefit of the organization.

Top management support is vital and influential in ensuring the success of the knowledge sharing processes [3; 9] particularly in knowledge donating.

The result in Table 1 reveals that top management plays a more vital role in knowledge donating, while knowledge collecting is more enabled through trust, communication and self-efficacy.

The general results confirms previous studies by [7] and [2] which show that effective communications within the organization are found to be positively influencing knowledge sharing in the organization.

Effective communication within the organization was believed to be able to raise the sense of equality among employees thus creating stronger bond between them. The strong relationships encourage knowledge donating and collecting within the organization.

The study by [3] shows that knowledge self-efficacy was strongly associated with employee willingness to donate and collect knowledge. Employees who believe that knowledge would contribute to the benefit to individual and organizational performance would be more willing to donate and collect knowledge within the organization.

According to [9], the most prominent reason why the employees of an organization are reluctant to share their knowledge is due to lack or reward and recognition. However, the study by [3] had provided a contrast result which verified that organizational reward has no influence on the willingness of the employees to donate and collect knowledge within the organization.

B. Knowledge Sharing and Performance

Table 2 shows both knowledge donating and knowledge collecting have significant relationships to the business performance. The variables were significant at 0.005 at 95% confidence level. The result of this study supports hypothesis H2, that the knowledge sharing processes positively influence the overall business performance.

TABLE 2. REGRESSION ANALYSIS OF KNOWLEDGE SHARING AND BUSINESS PERFORMANCE

<table>
<thead>
<tr>
<th>Variables</th>
<th>Beta (β)</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge Donating</td>
<td>0.325</td>
<td>0.000</td>
</tr>
<tr>
<td>Knowledge Collecting</td>
<td>0.227</td>
<td>0.010</td>
</tr>
<tr>
<td>R Square (R²)</td>
<td>0.225</td>
<td></td>
</tr>
<tr>
<td>Adjusted R Square</td>
<td>0.213</td>
<td></td>
</tr>
<tr>
<td>P – Value</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

*Regression was significant at the level 0.05 (2-tailed)

Business performance, financial and non-financial, is impacted by the knowledge sharing process. The result confirms the study by [5], which found that knowledge dissemination and knowledge acquisition were positively associated with the business performance from financial perspective, customer perspective, process perspective and learning perspective.

VII. CONCLUSION

The result of this study shows that top management support was effective in influencing the employees to donate and collect knowledge within the organization. Therefore, in order to promote knowledge sharing activities, top management role in the facilitation of social interaction culture critical. Top management should promote a culture that promotes knowledge sharing and create a conducive environment where employees can share their knowledge comfortably and effectively.
The provision of effective communication channels facilitates the interaction of employees among themselves to share their knowledge with one another without any hindrance, enabling the collection and donation of knowledge to take place more easily and frequently.

Trust between peers, co-workers and the management is an important factor that could encourage knowledge sharing in an organization. With trust, the employees feel at ease to share given knowledge and information thus encouraging knowledge collecting within the organization. However, reluctance in sharing personal information should not have any negative impact as the knowledge that is desired to be shared is work related knowledge.

Previous research [20] found that self efficacy has strong positive influence on knowledge donating and knowledge collecting. In addition, employees who believe that sharing useful knowledge benefits other employees and the organization are more willing to share their knowledge with their peers and co-workers.

The strong support of top management to knowledge sharing would influence the willingness of the employees in sharing their knowledge [20]. Hence, it is important for top management to ensure the provision of communication channels and a viable knowledge sharing environment in the organization.

Organizational reward is considered only as temporary influence in the knowledge sharing process. The result of [20] indicated that organizational reward has no influence on the willingness of the employees to donate and collect knowledge within the organization. This result contrasted with those of [22] which indicated the lack of reward discouraged employees from sharing their knowledge. [20] explained that organizational reward only secures temporary compliance. Some employees may prefer financial reward while others prefer recognition and performance appraisal.

REFERENCES


