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KNOWLEDGE SHARING CAPABILITY AND ORGANIZATIONAL PERFORMANCE: A THEORETICAL PERSPECTIVE

Abstract:

Knowledge sharing aspect can be described by which organizational employees exchange, collaboratively generate their knowledge, and integrate it into organizational knowledge. To date, studies on antecedents for knowledge sharing capability and knowledge sharing success are rare, and little research concerning the role of knowledge sharing capability in organizational performances has been conducted. This paper, therefore, focuses on three areas of knowledge sharing capability: dimensions of knowledge sharing capability, the antecedents of knowledge sharing in an organizational context, and their consequences that were built upon the review of previous empirical studies. According to the existing literature, integrated organizational structure, organizational climate, motivational work design, and organizational culture play roles on knowledge sharing. Three dimensions of knowledge sharing capability (i.e., knowledge sharing readiness, richness interchanging knowledge, and continuous knowledge integration) are accordingly developed for this study. In this study, knowledge sharing outcomes are analyzed by knowledge sharing success and organizational performances. This conceptual framework can be used to foster the effectiveness of knowledge sharing at the organizational level.

Keywords:

Knowledge sharing capability, knowledge sharing success, organizational performances

JEL Classification: D21

1. Introduction

Knowledge sharing is a tool that helps employees to developing themselves and efficacy in their work operation in an organization. Not only the communication but the knowledge sharing also includes activities in organizing the type of knowledge or information and the capability to accomplish the knowledge delivery.

The earlier studies and researches on the knowledge sharing reveal that mostly the trend of knowledge sharing studies is placed on the organizational context which affected the knowledge sharing and the intention affecting the knowledge sharing behavior (Wang & Noe, 2010.) Furthermore the study on the view of the capability in sharing knowledge emphasize on the process of knowledge interaction between people (Chen, Chang, & Tseng , 2012) and the communication between the knowledge sharers (sources) and knowledge receivers (recipients) (Hendricks, 1999). Such mentioned studies are the studies on the capability in sharing knowledge in personal dimension but still lack perspectives on the capability of sharing knowledge on parts or aspects of an organization that is a role of the organizational management section to support or promote the capabilities of knowledge sharing to be occurred (Kaur, Khalon, & Randhawa, 2012). Thus the researchers have studied on the knowledge sharing view including antecedents of the knowledge sharing, the knowledge sharing capabilities which differentiated from the perspectives in the earlier studies, the success on knowledge sharing that show the substantial results, and the overall operational result of the organization under the context of knowledge sharing capability.

This paper is organized as follow, first, this paper focus on theoretical foundation which concerned to the knowledge sharing capability, knowledge sharing success, and organizational performance perspectives. Second, this paper reveal literature review, the conceptual framework, and propositions development. The latter is the conclusion of this paper.

2. Theoretical Foundation

The basis and the core of this research aim to study the knowledge sharing capability that is the main aspect of the knowledge creation and knowledge management affecting the organizational operations. Therefore the theory to support this study are Knowledge Based View and Two Factor Theory.

The Knowledge Based View is a recent extension or a subset of the Resource based View that aims to fully use the resources in the organization in order to create the competitive differences and advantages. The Resource Based View consisted of the key elements that are valuable, rare, imperfectly imitable, and non-sustainable (Barney, 1991) The knowledge based view focuses on the importance of knowledge as an organizational resource together with the emphasis on the capability of an organization to bring out especially the tacit knowledge from individual to use as an organizational knowledge and to apply such knowledge for the development of organizational performances. The mentioned capability can be described as skills to merge the cooperative employees in an organization, the unorganized knowledge, and other processes, in order to create the knowledge sharing in an organization (Tuntrabundit &Tuntrabundit, 2011). Hence, in this study, the knowledge based view is brought to link with the antecedents of the knowledge sharing which related to workers' collaboration in the organization and related to the design of an organization which is contributed to the knowledge sharing. Absolutely, such factors affect the knowledge sharing capability in the organization. Consequently, the success of knowledge sharing affects the organizational performance.

Two factor theory or Herzberg's motivation hygiene theory is focused on the differentiation of employee's satisfaction and dissatisfaction. The significant of affect employee satisfaction are; experienced meaningfulness of the work itself, experienced responsibility for the work, and performance feedback where state the knowledge of their work outcomes (Pardee, 1990). Organization can improve employee knowledge sharing by focusing on the motivation. Therefore to encourage employee to share knowledge, organization should establish work condition that facilitate knowledge sharing and develop their belief in the organization ownership of knowledge (Siemsen, Roth, & Balasubramanian, 2008). In this study, two factor theory, especially motivator factor is tied to the motivational work design and related to the organizational support which is affected to knowledge sharing in organization.

3. Literature review and Proposition Development

In this study, the research on knowledge sharing capability and the performance of an organization, the researcher has specified the scope of the study which consist of the antecedents of knowledge sharing include integrated organizational structure, organizational climate, the motivational work design, knowledge sharing capability, the success of knowledge sharing, and the organizational performance, while the collaborative organizational culture was used as variable to moderate the antecedents and the knowledge sharing capabilities as shown below.
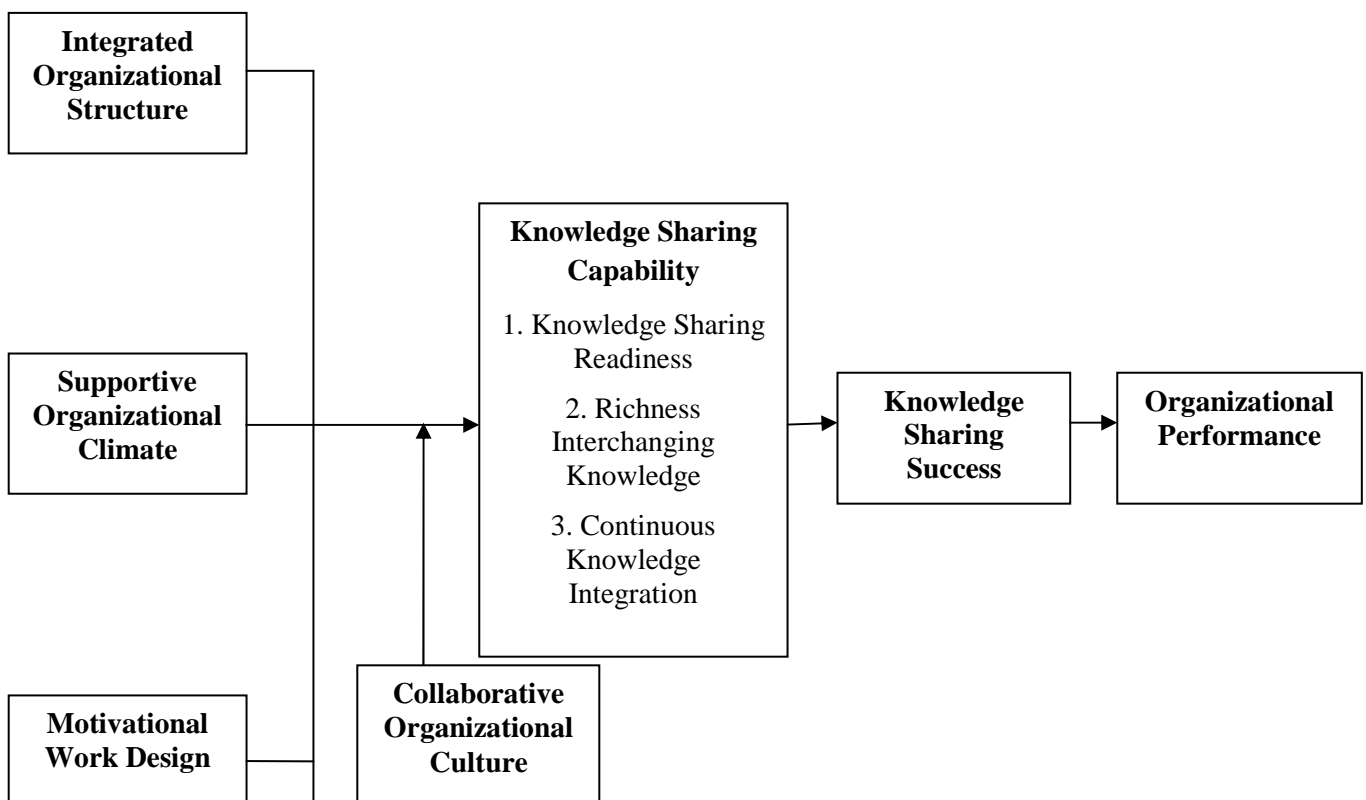

Figure 1: Conceptual framework

3.1 Integrated Organizational Structure

Integrated Organizational Structure refers to an organizing pattern of an organization which featured the practice focusing on job relations, cooperation, and work participation. The integrated organizational structure is developed from the coordinative organizational structure (Chen & Huang, 2007; Pugh et al., 1968; Tsai, 2002). The integrated organizational structure contributes the knowledge sharing on the basis that knowledge in an organization can be controlled, shared, and blended. The results of the earlier researches indicate that the firm with integrated organizational structure resulting more knowledge sharing in the organization (Tsai, 2002; Zheng, Yang, & Mclean, 2010; Eze, 2012). Therefore the researchers conclude the research proposal in the following proposition.

Proposition 1: Integrated organizational structure is positively related to the knowledge sharing capability.

3.2 Supportive Organizational Climate

Supportive organizational climate tends to understand the organizational systems and the employee's perceptions of their organizational practice and procedures which influencing the employee in the organization (Denison, 1996), while Patterson et al. (2005) explained the organizational culture emphasizing the values and the norms which organization employee share towards the policy, practices, and procedures. On this study, the researchers specify the supportive organizational climate included fairness in organization, organizational support, and creative Ideas.

First, fairness in organization refers to the equality of the people in recognizing or acknowledging the work operation and benefit (distribute) gained from an organization. Fairness in organization has caught attention from groups of scholars and administrators for a period of times. It was found that in 1900-1965, the management theories focus on the fairness in organization in 2 dimensions; the procedural justice and distributive justice (Buren *III,* 2007). The research results reveal that the recognition of the organizational procedural justice played an important role for the knowledge sharing of the people in an organization (Yesil & Dereli, 2013).

Second, organizational support refers to the status that the supervisors or administrators valued the workers' contributions and paid attention to the workers' welfare, and supported work operation in an organization. The support from supervisors is part of organizational climate and is the main factor causing the recognition of the organization support which can be classified in 3 aspects; (1) justice, (2) supervisor support, and (3) operational condition (Rhoades & Eisenberger, 2002). Without the organizational support, the knowledge management and knowledge sharing might not be able to continuously conduct. Apart from the support on the knowledge management to be successful in the early stage, the organization has to perpetually maintain the knowledge management ((Kaur, Khalon, & Randhawa, 2012).

Third, creative ideas refers to concepts, and learning trends for adjusting with new things of the people who cooperate in the organization (Yilmaz & Ergun, 2008). Knowledge is the key factor which makes the idea realistic and possible. Thus the promotion for the occurrence of open environment factors in an organization are the factors supporting the creation of ideas in an organization (Lindeke, Wyrick, & Chen, 2009). However the obstruction that blocks the occurrence of creative ideas is the thought that creative ideas are from an expert only, but creative ideas actually are necessary for all level of an organization. Creative ideas are responsibilities of each

department, team, manager, and individual (Gurteen, 1998). There is little study on the creative ideas affecting the knowledge sharing, however, it is found that, research results on the idea conceptualization of the group based on creativity, the group that shares ideas among the members though in the form of written communication usually has positive thinking for the exchanging of ideas (Paulus & Yang, 2000). From the review literature above, the researchers propose the following research proposal.

Proposition 2: Supportive organizational climate is positively related to the knowledge sharing capability.

3.3 Motivational Work Design

Motivational work design refers to appropriate formative of work, classification of duties, work activities, and the distribution of work for people in an organization, and it focused on the motivation that causes positive behaviors in work operation (Foss et al., 2009). The work design which directly affected knowledge sharing consist of (1) work autonomy, (2) work capability, and (3) work relations (Gagné, 2009; Foss et al., 2009). The major theory that is consistent with motivational work design is two-factor theory of Herzberg which indicated that the knowledge gaining from work performance affected satisfaction in work (Pardee, 1990). It is found in the study that the factors affecting knowledge sharing is motivational factors consisted of work challenge, and work operational freedom. Research findings indicate that challenging work design influence knowledge sharing and knowledge development while the work design that is intended for work operational freedom influenced knowledge sharing and the application of knowledge in the organization (Hendriks, 1999). Work characteristics that focus on the work operational freedom, work capability, and work relation cause the more work interest as well as the knowledge sharing of the people in an organization (Morgeson & Humphrey, 2006) Therefore, the researchers propose the following research proposal.

Proposition 3: Motivational work design is positively related to the knowledge sharing capability.

3.4 Knowledge Sharing Capability

Knowledge sharing capability, one of the successes of knowledge management (Chen, Chang, & Tseng, 2012), refers to the capability to have vision and perform the process of transferring knowledge through organizational activities. From the review on such ideas, the researchers conclude the classification of the aspects of knowledge sharing capability as followings.

(1) Knowledge Sharing Readiness
Knowledge sharing readiness refers to the state of willingness to gain knowledge and to exchange knowledge as well as the preparation of changes for knowledge transfer which is the first step according to the concept of Szulanski (2002). This readiness include the readiness from the previous experiences and readiness that is stimulated. According to the concept described by Darroch (2005) and Mathuramaytha (2012) it is believed that the activities to stimulate the participation in knowledge sharing among employees and among departments through organizational management system consisted of attraction, facilities (Lehner & Haas, 2010; Hassan & AL-Hakim, 2011; Goh, 2002), and the readiness of employees and resources in organization.

(2) Richness Interchanging Knowledge

Richness interchanging knowledge refers to the wealthy knowledge sharing, continuation of sharing and receiving of both explicit and especially on the implicit knowledge among employees and departments in the organization, thus, the interchange or dissemination of knowledge is the key to gain access to the knowledge, and caused the continuous flow of knowledge in an organization. From the past research of Bhatt (2000), Darroch (2005), Rowley (2001), and Mathuramaytha (2012) indicate that the organization reflect its needs for the distribution of knowledge through giving and receiving of knowledge. The interchanging of knowledge from different knowledge, and experiences can be transferred by informal meeting, training, brainstorming, and team working. The finding from the data acquire from the administrators of the hospitals in USA reveal that informal meeting is the best way of approached-knowledge transferring while training with lecture and video are the most suitable for information sharing (Murray & Peyrefitte, 2007).From the study of knowledge dissemination and innovation, knowledge dissemination is positive related to innovation (Darroch, 2005).

(3) Continuous Knowledge Integration

Continuous knowledge integration refers to the knowledge accumulation, knowledge combination, knowledge storage, and creating ideas gained from systematic knowledge exchanging continuously for accessing the knowledge sharing activity easily. From the study on knowledge sharing strategy, it is found that the knowledge sharing can be classified into 2 dimensions; knowledge sharing with codification versus personalization, and the knowledge sharing at the level of institutionalization versus individualization (Boh, 2007). Especially, the tacit knowledge which can be noticed must be codified and articulated (Hsu, 2008). The research finding show that institutionalization knowledge sharing is suitable for the large organization and regional organization. While the codified knowledge sharing was suitable for the formal organization, individualization knowledge sharing is suitable for informal organization (Boh, 2007) Therefore the researchers propose the following research proposal.

Proposition 4: Knowledge sharing capability likely leads to the knowledge sharing success.

3.5 Collaborative Organizational Culture

Organizational structure refers to the structure and organizational operation that reflect the values, beliefs, and presupposition that the people share in the organization. Collaborative organizational culture is one form of organizational culture that focused on coordination, participation, and work collaboration. Additionally, collaborative organizational culture is consistent with cooperative oriented culture according to competing values framework. The research result relate to the collaborative organizational culture affecting the knowledge sharing show that the collaborative organizational culture affected knowledge sharing in the organizational managing group (Gaál et al., 2010) and the collaborative organizational culture is suitable for the information sharing as well (Rai, 2011). Therefore the researchers propose the following research proposal.

Proposition 5: Collaborative organizational culture is positive moderate relationship between antecedents of knowledge sharing and knowledge sharing capability.

3.6 Knowledge Sharing Success

Knowledge sharing success is the outcomes of the knowledge sharing capability. On this study, the knowledge sharing success is evaluated through the successful of knowledge interchanging, knowledge dissemination, innovation, and best performance. Before measuring the organizational performance, management should be concern to the result from knowledge sharing capability. Knowledge interchanging and knowledge dissemination can be evaluated by formal and informal training rate. Moreover, knowledge dissemination to the organizational customers should be provided. Knowledge interchanging by training is positively associated with performance (Fongtanakit, 2013). The organization would get better innovation if they can make the efficiently and effectively in house for the innovation activity (Chen, Huang, & Hsiao, 2010). Therefore the researchers propose the following research proposal.

Proposition 6: Knowledge sharing success likely leads to the organizational performance.

3.7 Organizational Performance

Organizational performance refers to the success in knowledge sharing measured by the organizational finance perspective, customer perspective, management perspective, and employee perspective. These perspectives relate to the management measurement named 'Balanced Scorecard' which perfectly included all the internal and external organization perspective. Organizational performance considered from the organizational effectiveness, and capability of an organization (Chang & Chuang, 2011) and evaluated the effectiveness through the vacancy of hospital bed, growth cash flow rate, the increased of services, customer complaint and customer satisfaction, and employee learning. From the past research show that knowledge shared interpretation is positively related to customer perspective, internal process perspective, and employee learning perspective. Furthermore, finance perspective is positive related by customer perspective too (Padron et al., 2010).

4. Conclusion

This research is the study on the knowledge sharing capability which analyzed the antecedents of knowledge sharing as well as the organizational performance that reflected from the knowledge sharing in the organization and it is consistent with knowledge based view focusing on the knowledge creation at the level of an organization and the using of such existed knowledge. Furthermore, this study related the organizational design focusing on the participation and the creation of motivation that the organization used to promote the organizational knowledge sharing.

Although knowledge sharing capability's dimensions; knowledge sharing readiness, richness interchanging knowledge, and continuous knowledge integration are developed from prior studies of knowledge management processes. Knowledge sharing is become more challenged for management to reach the competitive advantage by develop and encourage employee's willingness to share their knowledge, integrated, and created the new one.

Further study result can be related to notify the organizational success through knowledge sharing capability and antecedents in the organization, especially, the aspects of knowledge sharing capability in an organization which will be fully useful

for the organization in bringing the knowledge from the study for further application of knowledge in the organization.

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