

# The Factors Affecting Knowledge Sharing Behaviour within a Case Study Taiwanese Small Business

Hsing H. Lee

*Aletheia University, Taiwan, hsinghsinlee@hotmail.com*

## ABSTRACT

Organisations need to create, retrieve and distribute new knowledge within their companies before applying it to gain, or maintain competitive business. Additionally, recent research has identified a variety of factors that lead to effective knowledge sharing, such as motivation and culture. Moreover, there is few established body of literature that has identified discernible difference between China and Taiwan. Nearly all of the knowledge management literature is in respect of the cross cultural aspect of modern international business, largely in interactive networking, knowledge acquisition and sharing (Holden, 2002). However, SMEs are recognised to be a distinct industry sector with some characteristic elements of culture that will impact upon knowledge sharing with regard to the stages of creation, transfer, sharing, integration and translation into practice. Factors, including elements relating to cultural perspectives, were discussed arising from the case study of a small Taiwanese company. The research methodology was based on qualitative research and a case study. Given the objectives of the research, in-depth interviews would be necessary to supplement the research. Using constructivist grounded theory this research examined how humans construct reality. It concludes that the organisational context and culture are significant factors that help employees to carry out their tasks. Additionally, the Taiwanese organisational context and how it impacts on interactions between employees and with management, was another important factor.

**Keywords:** Knowledge sharing, cultural perspective, SMEs.

## I INTRODUCTION

Knowledge management (KM) is about making sure that knowledge from employees, teams, and units within an organisation is captured, remembered, stored and share with others. In brief, the KM process can be seen in two ways, either to reuse the existing knowledge through capture, transfer it while encountering the similar situation or to create the new knowledge by sharing and integrating the existing knowledge that through the interactions between people (Alvesson, 2004).

Reviewing the related KM and its process literature review, this paper developed a research model and investigated knowledge creation, transfer, sharing, integration and translation as the knowledge process and identified knowledge sharing as a major focus area for KM.

In addition, the development and practice of KM are often associated with large organisations whilst only a small amount of studies are based on SMEs and/or traditional industries (Wu et al., 2006; Ruiz-Mercader et al., 2006; Wong, 2005; Hsu et al., 2006). However, SMEs play their specific role in the economy and also need to improve competitive advantage through knowledge management (Wong and Aspinwell, 2004). Sparrow (2005) points out SMEs may face different issues from larger organisations whilst engaging in the development process of KM. Moreover, he also suggests that different SMEs may use different approaches towards KM development because of the functions among SMEs are not the same. As a result, SMEs also need and challenge KM as larger organisations do (Lim and Klobas, 2000).

Several researchers indicate organisational culture is the primary element that influences KM. Hence, organisational values are important to facilitate effective knowledge sharing among the employees in the organisation. National culture influences organisational cultural as national culture has the impact on people's perceptions. Therefore, national culture can provide the basic identify and norm towards regarding knowledge sharing behaviours.

The GLOBE project (House et al., 2004) identifies nine cultural dimensions in 62 societies, which includes Taiwan and whilst there are assessments of China, there is few established body of literature that has identified discernible difference between China and Taiwan. Chinese culture possibly dominates the common cultural values for Chinese people no matter where they live (Fan, 2000). Hence, there would be an assumption that the hallmarks of Chinese culture applies to Taiwan.

Specifically, this research investigates what kind of mediating artifacts can facilitate the knowledge sharing behaviours in a case study company in Taiwan. Moreover, the typical Taiwanese behaviours and attitude towards knowledge sharing need to identify.

## II METHODS

The research methodology was based on qualitative research. A case study was used to provide a viable, rich understanding of the context of the research and the process being enacted (Yin, 2008). Using constructivist grounded theory this research examined how humans construct reality and discover it from the interactive process, in order to gain depth and understanding in their work.

Data was gathered in several ways included observations, filed notes formal and informal (a quick chat) interviews with the managers and the employees. Moreover, the practice of grounded theory coding was used to be techniques for data analysis process. The research was designed to use case study and qualitative methodology. Therefore, NVivo software provided various tools to find the most suitable way to analysis the data.

The methodology of this research was based on the constructivist mode of grounded theory which was represented by Charmaz (2006). However, it depended on the need of data analysis, axial coding was used to form the categories. As the codes emerged from the data, therefore, free node was used as open coding and tree node was used as axial coding then the core categories were identified.



Figure 1. Organisational Context.

As it can be seen in figure 1 organisational structure category represented the structure of company and the interactions among employees and managers. It has impact on the knowledge process in natural setting context. Namely: communication relationship, leadership and rewards.

As it can be seen in Figure 2 the culture aspects of category were to explore the phenomenon in a natural culture setting under this research, specifically, typical Taiwanese culture. There were seven properties under the category which emerged from the open coding. Namely: goal to achieve, embedded in the group, long term perspective, acceptability towards managing uncertain situation, manager's standpoint, care about the feelings of the subordinates and social interactions.



Figure 2. Cultural Aspects.

## III FINDINGS

This section is to explore the finding of the research objective. In analysing the data, two categories emerged: organisational context and cultural aspects.

### A. Organisational Context

Organisational context represents a structure of the company and the interactions among employees and managers. Three aspects are under organisational context, namely, communication relationship, leadership and rewards.

*Communication Relationship.* It refers to the way of communication in the company, whether the information or knowledge went from bottom-up and vice versa. Therefore, horizontal and vertical were two dimensions to look at this aspect.

Nearly all of the participants stated:

“I would ask some help from my colleagues, either the senior ones or who got the specialised knowledge.”

Moreover, some of them addressed:

“Firstly, they would ask help from their colleagues and once they couldn't sort it out they would consult with the manager.”

As a result, when the employees encountered the difficulties, they would ask help from their colleagues, if they couldn't still sort it out then they would turn into the manager. On the other hand, when the manager dealt with unfamiliar things, he or she would ask assist from the subordinate. As the results,

the relationship did go horizontally among the employees and the manager and knowledge went flow from both directions. If knowledge flow goes in both directions, and the contact is frequent, it may lead employees and managers to be more supportive of one another.

*Leadership.* It refers to the style of managers, either hierarchical or supportive style. Previous research indicates that manager support plays an important role in stimulating knowledge sharing and creating a supportive climate culture.

As management department employee stated:

“Normally, it won’t be too much problems if I show to general manager and senior management then the boss will agree with it.”

Moreover, interviewee five stated:

“My manager helps me when I get problems and no matter it is related to work issue, or personal matter.”

Both of hierarchical and supportive style could be found in the company. The decision-making needed to pass from level to level and it needed to fit the company’s rules and regularities. Moreover, not all the employees participate in the process of decision-making. The middle manager played had an impact on how knowledge process was carried out as they were the mediation between the top management and the employees.

The managers were playing the roles as being telling and consulting, they identified the solution of the queries of employees or suggested the most proper approach. Moreover, the managers take responsibility for final outcomes and this is typical Taiwanese culture.

The research findings suggest that middle managers play an important role in stimulating knowledge sharing as they can help to create a culture that facilitates knowledge sharing between employees. They set the example for employees. Moreover, middle managers have a great impact on how organisational processes are carried out as they are the mediation between top management and employees.

*Rewards.* It refers to what extent employees receive any compensation for good performance or encouragement in knowledge sharing behaviours. Recognition and incentives are two dimensions to look at this aspect.

The classification of reward (recognition or incentives) was influence by reward of the employee’s preference and awareness, and whether the reward promoted or inhabits the employees’ knowledge sharing behaviours.

As interviewee three stated:

“Yes, the company will commend for the outstanding performance and also we will get financial reward when the company reaches the target.”

The reward would be given to the employee who got the good performance, such financial reward once they researched the target, and it was on the basis of the department, some of them got rewards monthly and other got it quarterly.

Moreover, recognition was another way of the reward they received, such as the verbal appreciation in public (formal meeting), or just a simply thanks you (formal meeting), as IT manager stated:

“I would commend the employee who has a great performance during the meeting.”

The employees were more appreciated for incentives in terms of cash bonus instead of verbal appreciation, because of the verbal appreciation may cause other people to be jealous and they couldn’t get along with their colleagues.

Yet, there was no financial reward for knowledge sharing, they only received recognition once the new ideas came out, and this wouldn’t discourage them to share knowledge and experiences, as interviewee three stated:

“The factors why I would feel like to share my knowledge, well, self-fulfill I guess and receiving positive recognition from colleagues”.

Therefore, reward didn’t play a major role in stimulating knowledge sharing. As the results, it took a further perception of motivation, the term intrinsic which refers to personal characteristic.

Lin (2007) identifies the individual factors which influences knowledge sharing, namely, enjoyment in helping others and knowledge self-efficacy. The employees feel pleasure whilst helping their colleagues, because they can learn more things to gain experience and knowledge. People who derive enjoyment from helping others may be more inclined to share knowledge as they are intrinsically motivated to contribute knowledge. Furthermore, another factor that promotes knowledge sharing behaviours is self-fulfillment as the employees receive positive recognition from their colleagues and it is consistent with self-efficacy. Self-efficacy refers to the capabilities to accomplish the task and also help motivate the employees to share knowledge with colleagues (Wasko and Faraj, 2005).

## **B. Cultural Aspect**

The interview questions were designed to be relevant to the literature review which were based on by The GLOBE project (House et al, 2004) which is

identified nine cultural dimensions. However, not each dimension fits into the research objectives.

*Goal to Achieve*. It refers to goals that are important for employees to accomplish, be it on an individual or team basis.

As it was a small company, the task was usually assigned to individual, however, some parts of task couldn't be done alone and the certain tasks were accomplished through teamwork.

As interviewee one stated:

"Each department needs to collaborate and communicate to reach the task or goal. Without collaboration, no one can execute any single task from design to production."

She further stated:

"To achieve the goal of a group is more important, group success is much longer term... as many of the tasks cannot be done solely."

Goal to achieve is associated with institutional collectivism (House et al., 2004), and Taiwan is one of the countries where many examples of institutional collectivism can be found. The research findings indicate that the employees collaborate with each other to accomplish the goal, on an individual and team basis and it is consistent with people from collectivist cultures work better with team work (Möller and Svahn, 2004).

*Embedded in group*. It refers to the interactions among employees and managers in terms of the feeling towards their group.

As several participators stated:

"I feel it like as a family".

Moreover, the interactions among the employees and the manager felt like as a family, apart from dealing the job issue, the personal matters and they treated their colleagues as family members instead of seeing them as the competitors.

As most of the participators stated:

"We have time to deal with personal matter and family issues."

Having enough time to deal with personal matter and spending it with family is an essential factor in Taiwanese culture.

Embedded in group is associated with in-group collectivism (House et al., 2004). The research findings highlight how member of company feel like a family and a close group of friends. Hence, this situation appears to be consistent with in-group collectivism.

*Manager's Standpoint*. It refers to the interactions between employees and managers in terms of using power.

As several participators stated:

"I can't say I have to obey my manager with no doubt but we need to respect their decision and get our tasked be done as expected."

It wasn't really necessary to obey the manager with not doubt as they were at the position to express their feelings and ideas, and when they came across the different opinions, they tried to figure out the best way by communicate with each other.

Moreover, from the point of managers' view,

As design manager stated:

"It is not frequent necessary for me to use authority and power when dealing with my employees."

Manager's attitude is associated with power distance (House et al., 2004). The findings appear to be consistent with power distance this culture dominion (House et al., 2004; Hofstede, 1980, 2001), as not all the employees participate in the process of decision-making. One significant difference is the employees could express their ideas even if it cannot be part of the final decision and this can be seen as typical Taiwanese culture.

*Long Term Perspective*. It refers to an arrangement of personal development for employees or any further strategies for companies.

As interviewee one stated:

"Yes, but it was more about company strategic, not related to employees." Moreover, the IT manager stated:

"The company doesn't really provide any particularly training course for the personal or career development, due to the budget."

Therefore, the company didn't really have any specific strategy for the personal development of employees, however, the company did encourage the employees to attend the workshop outside of the company. They noticed the need of their employees only if the problems had occurred.

Long term perspective is associated with future orientation culture dimension (House et al., 2004). From the researching findings, it is consistent with this cultural dimension.

*Acceptability towards Uncertain Situation*. It refers to what extent people accept unsure situations or unfamiliar incidents.

As several participators stated:

"I will try to be calm down whilst dealing with things that I never encountered or ambiguous situation."

And they further addressed:

"I would ask help from my colleague or my manager."

Some of the employee were being panic and it caused their colleagues would notice it, or some of them would be calm down.

Acceptability towards uncertain situations is associated with uncertainty avoidance (House et al., 2004; Hofstede, 1980, 2001). The research findings suggest that whenever the employees encounter any difficulties, they will ask the managers for help immediately. It appears to reflect they are likely to be guided to identify a clear instruction to solve uncertain circumstances. However, the employees carry out autonomous roles and this situation appears to be contrary to uncertainty avoidance (House et al., 2004; Hofstede, 1980, 2001).

*Care about the Feelings of Subordinates.* It refers to what extent managers care about the feelings and capabilities of employees.

As interviewee three stated:

“He will consider my feeling and ideas, sometimes, when he assigns me the task, he would ask me whether can I handle it or not. If I can't I will inform him or ask for help.”

It seemed like the manager did consider about the employees' feeling and capabilities, when the employees encountered unexpected circumstance.

Care about the feelings is associated with human orientation cultural dimension. According to House et al., (2004) that Taiwan is low score on this dimension and it is contrary to the research finding, in Taiwanese society, people tend to be friendly to each other, within the company, employees and managers help each other with not only the work issues but also the personal matters. Moreover, it is consistent with Chinese manager will pay attention to building and maintaining personal relationship rather than just being a task-orientation (Chen and Partington, 2004).

*Social Interaction.* It refers to what extent people maintain the relationships between themselves when they encounter different opinions.

Several participators stated:

“We try to maintain harmony within the company and try to avoid the conflict.”

In the case study company, the employees try to avoid the conflict and maintain harmony. When the different opinions arise, they will not really use a strong attitude or insist on their own opinions at that moment. However, they will try to express their own ideas but not to force others to accept it. Hence, it appears to be consistent with Chinese people are likely to place an emphasis on group harmony and maintain relationships with all involved whilst resolving conflicts (Chen and Partington, 2004; Zeng et al., 2009). Moreover, an interesting finding is instead of telling the first person again, they will ask a third party to do it and it is typical Taiwanese culture.

In summary, the research findings suggest that if managers and employees contact with each other frequently, it will make the communication relationship goes both of horizontal level and vertical level. This appears to be consistent with the contact between employees and manager is often close to each other in SMEs. Hence, the knowledge flow goes up and down hierarchical efficiently (Desousa and Awazu, 2006). The middle managers play an important role in stimulating knowledge sharing, as they are being supportive and set the example for employees.

In Taiwan society, it is hard to change people's past behaviours, it may be due to that fact that people are less inclined to change the life of style or things they are used to and this can relate to uncertainty avoidance cultural dimension (House et al., 2004; Hofstede, 1980, 2001). As a result, under this condition that causes managers will need to use powers difference to ensure socially responsible behaviours such as on-going circumstance which still needs to reinforce the perception of employees' behaviours.

Explicit knowledge transforms into tacit knowledge that is easier when people trust each other and willing to contribute their own valuable knowledge. (Swift and Hwang, 2013). Therefore, trust is based on interpersonal interaction among people and they are willing to share knowledge and provide assistance to one another in a crisis.

#### IV CONCLUSION

To conclude, organisational context and cultural aspects are mediating artifacts that facilitate knowledge sharing behaviours in Taiwanese SMEs.

With regard to cultural aspects, the finding identifies the similarities and differences one of each from the GLOBE project (House et al., 2004) cultural dimensions. Moreover, it indicates the typical Taiwanese culture.

It suggests manager's standpoint, acceptability towards managing uncertain situations and social interactions have the greatest impact on the knowledge sharing behaviours. Since Taiwan is strong power distance (House et al., 2004; Hofstede, 1980, 2001; Chen and Partington, 2004), manager is likely to prefer subordinates to obey a standard set of rules and procedures, employees follow the direction of their manager. However, in the case study company, the managers are also being supportive and caring for the subordinates. Hence, leadership style apparently intends to be both style, this is consistent with Taiwanese way of doing things as Confucian values are influenced in Taiwanese society in terms of maintain harmonious relationships.

Furthermore, from social interaction that indicates trust contributes to successful human behaviours and it

is one of the important cultural factors which leads to the knowledge process.

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