The roles of learning in stimulating knowledge sharing at SMEs

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Abstract

Knowledge sharing is widely recognized as one of the most important ingredients to improve company performance. Hence, it is important to understand the variables that affect knowledge sharing in SMEs. In view of this, the purpose of this study is to examine the effect of individual factors towards knowledge sharing behavior in SMEs and proposed to investigate the moderating effect of learning towards knowledge sharing behavior. The finding of this study aims to provide a valuable reference for academicians and practitioners to improve the current knowledge sharing practices and to enrich understanding regarding knowledge sharing at SMEs.

Introduction

Economists have over the last few decades considered land, labor and capital as the only criteria for wealth generation, collectively known as the factors of production. However, of late knowledge has been increasingly seen as the fourth factors of production (Friedman, 1995). Most organizations today have come to rely on the value of knowledge as enhance their products and as one of the main critical resources for wealth creation (Anitha, 2006). In today’s knowledge-based economy and competitive environment, firms that participate in the creation and utilization of knowledge are able to enjoy substantial rewards from their business strategy. Therefore, by implementing knowledge management in SMEs companies, they will be able to compete with others because knowledge management is no longer applicable to large organizations but also equally relevant to SMEs competitors (Wong and
Aspinwall, 2005). Through knowledge management, they are being able to create, identify and renew the company’s knowledge and deliver the innovative products and services to the customer (Fink and Ploder, 2009; Tan and Aizzat, 2010).

Knowledge sharing is one of very important components and is considered one of the core competencies in knowledge management (Pasher and Ronan, 2011; Liu, 2008). The critical outcome of knowledge sharing is the creation of new knowledge and innovation that will significantly improve organizational performance (Al-Hawamdeh, 2003). Therefore, there is need to understand the factors influencing knowledge sharing activities and examines the knowledge sharing behavior in SMEs because of their contribution to economic growth. Thus, the main goal of the study as has been proposed in this paper is to examine the factors that influence knowledge sharing behavior in SMEs. This paper will be directed towards investigating the moderating effect of learning toward individual factors and knowledge sharing behavior. This is on the basis of how learning leads into the enhancing knowledge sharing behavior. Finally, the finding of the study could provide understanding to SMEs or practitioners towards the factors that influence knowledge sharing behavior.

1.1. SMEs development and definition in Malaysia

SMEs are generally defined based on the stages of economic development and the broad of definition being used in each country. The most commonly used for definitions are related to either the number of employees or the amount of capital investments. Due to developing and change in business trends, the definition of SMEs was reviewed and simplified as follows (1) Manufacturing sector: sales turnover not exceeding RM50 million or full-time employees not exceeding 200 workers and (2) Services and other sectors: sales turnover not exceeding RM20 million or full-time employees not exceeding 75 workers. This study will be referred to the SMEs with sales turnover below RM50 million or employed below 200 full-time workers and focusing to the manufacturing and services sector because the services sector is the largest growth contributor to the total of SME gross domestic products (GDP) 61.7%, followed by the manufacturing sector is 24.1% (SME Annual Report 2012/13). Furthermore, the Malaysian governments also encourage more manufacturing firms, particularly in SMEs in order to shift their dependence from the domestic market to the export market (Hashim, 2007).

Moreover, according to the 10th Malaysia Plan (2010), SMEs included in sixth enablers to support economic growth, whereas SMEs is an engine of growth and innovation for reaching economic reform program. The SMEs represents 99.2% of all business in Malaysia and contributing 56.4% of total employment in the country. Further, SMEs constitute an important component of the Malaysian economy and have the potential to be a powerful engine of growth and innovation. SMEs contribution to the (GDP) increased from 29.4% in 2005 to 32.7% in 2012 (SME Annual Report, 2012/2013). The impact of SMEs on Malaysian economy can be seen from the various economic aspects such as the production of goods and services, employment opportunities, income generation, and increment in the export quantity of the SMEs products (Hashim, 2007).

2. Knowledge sharing

Knowledge sharing refers to the communication of all types of knowledge, which includes explicit and tacit knowledge through socialization, interaction, and training. Hence, effective knowledge sharing involves the actions of transmission and absorption of the sender and receiver respectively. Therefore, organizations are risking to lose the money, time, and ability when they did not have knowledge sharing effectively (Jones, 2007). Thus, the goal of knowledge sharing is to acquire knowledge for knowledge using in daily work processes to improve the collaboration and relationships among workers and to enhance the accumulation of knowledge for employees and the organization as a whole (Lee and Yu, 2011). Furthermore, the purpose of knowledge sharing is to immense pool of experience to the next generation of workers because of knowledge can be lost through redundancy, retirement, resignation and even through promotion. Hence, the critical outcome of knowledge sharing is the creation of new knowledge that will significantly improve organizational performance (al-Hawamdeh, 2003).
Knowledge sharing occurs between at least two parties through face to face communication such as workshop, forums, conferences and seminar (McAdam And Reid, 2000; Hendriks, 1999; Nonaka, 1994). However, there are facts that people are reluctant to share knowledge because of some workers are interested to share their knowledge, while some of them seem uninterested to share knowledge, mostly when their mistakes are not tolerated by organization (Teh and Sun, 2012; Hendriks, 1999). According to Martin (2005), diverse cultures, lack of trust, lack of time, ineffective communication and poor knowledge can prevent knowledge sharing from happening. Moreover, knowledge sharing cannot occur when the workers hold or hoarding their knowledge to keep their competitive competence (Liu, 2008).

2.1. Knowledge Sharing Practice in SMEs

In general, SMEs poorly understood the factors that shape and promote knowledge sharing in organizations (Anitha, 2006). Besides, most of the empirical studies on knowledge sharing focus more to the management of knowledge in large organizations. Very little discussions have contributed to the knowledge sharing practice in SMEs especially in Malaysia (Fink and Ploder, 2009; Anitha, 2006; Fathi et al., 2011). Moreover, the study on knowledge sharing is still in the infancy stage (Ju et al., 2006) whereas knowledge sharing adoption is relatively slow (Jayasingam et al., 2013). Furthermore, SMEs awareness of knowledge sharing approaches is still at the embryonic stage and it is relatively an infancy phase of management application compared to the other strategic tools (Ali and Murali, 2009).

In Malaysia situation, previous studies were conducted and focused more on public sectors and large private companies. For instance, Fathi et al., (2011) examine the factors that influenced knowledge sharing attitude in a manufacturing firm in Malaysia. In addition, En (2011) and Yee (2010) examined the relationship between individual factors, organizational factors and technological factors that influence knowledge sharing in Higher Education Institution and construction industries in Malaysia respectively. Besides, Al-Qadhi (2013) examined the effect of trust, management support, self-efficacy, altruism and mutual reciprocity that influence knowledge sharing among employees in multinational organization. Fong et al., (2011) looked into the relationship between human resource management practices and knowledge sharing in manufacturing and services organization in Malaysia. Meanwhile, Teh and Sun (2012) examine the effects of job involvement, job satisfaction, organizational commitment and organizational citizenship behavior (OCB) on employees’ knowledge sharing behavior in large companies.

A common problem in introducing knowledge sharing in SMEs is the lack of clarity about which types of methods should be taken into consideration (Fink and Ploder, 2009). Wong and Aspinwall (2004) indicated that SMEs generally lack a proper understanding of knowledge sharing and is slow in adopting formal and systematic knowledge sharing practice. This is because most of the SMEs feel that it is not feasible to establish a formal system for codifying, organizing and storing knowledge since they are always busy with their daily routines (Wong and Aspinwall, 2004). They tend to focus more to company survival lead to poorly documented knowledge which creates problems when their key resource leaving (Debowski, 2006). Although there were many researches about knowledge sharing, few of them focused on SMEs. Most previous studies on knowledge sharing have been confined mainly to the public sectors or large private companies (Fathi et al. 2011). Because of the discernible absence of studies examines knowledge sharing in SMEs context, so it is necessary to deep research on knowledge sharing in SMEs in order to formulate a model that could be used to promote knowledge sharing that fits with the SMEs environment (Eze et al., 2013).

2.2. Knowledge sharing factors

There are many studies regarding knowledge sharing factors and collectively, these studies have identified a number of factors that are believed to influence knowledge sharing behavior. The researchers acknowledge the factors that influence knowledge sharing was through individual psychological, social, organizational cultural and technological factors (En, 2012; Eugene, 2010; Habeeba, 2010; Fong et al., 2011; Hislop, 2009). According to Liu (2008) and Henriks (1999), ICT gets more important as a prominent tool for facilitating knowledge sharing due to information technology improvement and knowledge transmission. Although knowledge sharing gets more important
due to the technology improvement and recognize as the most factor in facilitating knowledge sharing by researchers, however the human factors still the key success in knowledge sharing (Liu, 2008; Al-Hawamdeh, 2003). According to Chatzoglou and Vraimaki (2009) the most important determinant factor to influence knowledge sharing behavior is from an individual perspective. The results of previous studies indicated that individual psychology has a positive effect towards knowledge sharing behavior. For instance, the finding of several studies found that trust (En, 2011; Eze et al., 2013, Fathi et al., 2011), self-efficacy (Al-Qadhi, 2013; Zhang and Ng, 2012; Jolaee, 2012), attitude (En, 2011; Wu and Zhu, 2012; Zhang and Ng, 2012) and enjoyment (Wu and Zhu, 2012; Anitha, 2006) are critical success factors for knowledge sharing.

However, people might not give knowledge away without something in return. Moreover, employees are more motivated to share their knowledge with each other through incentive (Hsu and Wang, 2008). According to Hislop (2009), the main potential benefit of knowledge sharing is through reward or incentive. The incentive can be used as a tool to elicit, enhance and maintain the knowledge sharing behavior among employees (Fong et al., 2011; En, 2011; Eze et al., 2013; Fathi et al., 2011). However, the study by Wu and Zhu (2012); Zhang and Ng (2012); Anitha (2006) and Habeeba (2010) indicated that incentives did not influence knowledge sharing behavior. It seems, rewards only act as a trigger for knowledge sharing rather than as a sustaining force to form a person’s attitude (Zhang and Ng, 2012).

In most conditions, organizational factors such as job involvement and job satisfaction (Teh and Sun, 2012; Eze et al., 2013), performance appraisal and recognition also serves as a motivator to enhance knowledge sharing behavior among employees (Hendriks, 1999; Fong et al., 2011). In addition, organizational culture (Wu and Zhu, 2012; Anitha, 2006; Terlokchand, 2010), top management support (Al-Qadhi, 2013; Yee, 2010) and organizational relationship (Lee and Yu, 2011; Fathi et al., 2011) was influence knowledge sharing behavior. Thus, SMEs need to understand the factors that are promoting and encouraging knowledge sharing behavior. Table 1 provides the summary of the key factors that influence knowledge sharing from previous studies.

In attempting to provide solutions to knowledge sharing endeavors in organizations, researchers have tried looking at both the individual psychological and the organizational perspectives. However, these results are inconsistent and at times contradict each other. For instance, Al-Qadhi (2013); Zhang and Ng (2012) and Fathi et al. (2011) found that self-efficacy has direct influence on knowledge sharing. In contrast, some researchers in duplicating the previous mentioned authors’ observations; discovered that self-efficacy does not influence knowledge sharing behavior (En, 2011; Eugene, 2010). While the factors that influencing knowledge sharing behavior can be speculated from past researchers’ studies, it is crucial to carefully examine the underlying antecedents of knowledge sharing in SMEs. In view of this, variables that influence knowledge sharing must be viewed in a more comprehensive way (En, 2011). Then, the author seeks to fill this gap by examining learning in promoting knowledge sharing in SMEs. To author knowledge, there are no studies that specifically analyse the moderating effect of learning towards knowledge sharing. Thus, this study will provide a new insight regarding the moderating role of learning on the relationship between individual factors and knowledge sharing.

<table>
<thead>
<tr>
<th>Knowledge sharing factors</th>
<th>Author</th>
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<tbody>
<tr>
<td>Job Satisfaction, Job Involvement, Organization Commitment, Organizational Citizenship</td>
<td>Teh and Sun (2012)</td>
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<tr>
<td>Behavior</td>
<td></td>
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<tr>
<td>Achievement, Responsibilities, Recognition, Operational Power, Promotional Opportunities, Challenge of Work</td>
<td>Hendriks (1999)</td>
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<tr>
<td>Perceived Losing Face, Reward, Reduced Workload, Knowledge Feedback, Personal Relationship, Knowledge Self-efficacy</td>
<td>Zhang and Ng (2012)</td>
</tr>
<tr>
<td>Knowledge Technology (ICT), Motivation, Reward System, Trust, Empowering Leadership, Formalization</td>
<td>Eze et al. (2013)</td>
</tr>
</tbody>
</table>
Individualism, Collectivism, Social Network, Trust, Shared Goal, Incentive System, Kiasuism, Self-efficacy, Attitude

Attitude, Intention, Individual Technology Usage,

Incentives, Reciprocal Benefits, Reputation Enhancement, Loss of Knowledge Power, Enjoyment in Helping Others, Technology, Organizational Climate

Loss of Personal Competitiveness, Trust, Expected, Contribution, Learning, Capability, Fairness, Supportive Leadership, Openness And ICT

Attitude, Self-efficacy, Subjective Norm, Rewards, Social Networks, Trust

Fathi et al. (2011)
Chatzoglou and Vraimaki (2013)
Anitha (2006)
Yee (2010)
Jolaee (2012)

Learning and knowledge sharing behavior

Learning is the major process of human adaptation and occurs in all human settings from schools to the workplace, personal relationships and it encompasses all life-stages (Thorpe et al., 1993). Therefore, learning is built on and flows from experience because learning only can occur if the experience of the learner is engaged (Boud et al., 1993). According to the individual psychological theory, an individual behavior could be changed via learning interaction of an individual with his or her environment (Bornsheuer-Boswell et al., 2013). The behaviorism learning theory also opines that peoples' behavior changed when they are involved in stimuli and response from their environments (Ormrod, 1995). Thus, individual behavior is affected by the degrees they contributed in learning and the result of learning will translate into observable or changed behavior (Cheramie and Simmering, 2010; Hergenhahn and Olson, 2008). What has already been learned, affecting how people act and think (Crossan et al., 1999). Since learning facilitates behavioral change, it will lead to enhanced knowledge sharing behavior. Hence, it is important to change individuals’ behavior through learning in order to promote knowledge sharing (Zhang and Ng, 2012).

Learning in the workplace appears through social interactions amongst individuals, reflections and experience at the workplace (Raelin, 1998; Tynjala, 2008). Therefore, learning arises from complex contributions and negotiation between social and personal factors (Billet, 2008) and related to environments, experiences and reflections practice in organizations. Thus, knowledge sharing indirectly exist through learning activities among employees. According to Hendriks (1999), knowledge sharing act by those who have the knowledge to take or performing an action based on his knowledge and explaining it in a lecture or codifying it to explicit knowledge. Therefore, learning is built on and flows from experience because learning only can occur if the experience of the learner is engaged (Boud et al., 1993). According to Chance (2014), learning is a change in behavior due to experience or changes in the environment. Thus, working with our experience is one of the keys to learning, whereas learners must recapture and re-evaluate their experience to turn it into learning (Bouet al., 1993). It means, changes in behavior are products of experience. Moreover, natural selection and learning are two forces that contribute to modify the behavior of the individual (Change, 2014). Although learning does not always involve acquiring something, but it does always involve some sort of change (Chance, 2014).

4. Proposed theoretical framework and propositions

As indicated earlier, the aim of the study is to determine the individual factors that influence knowledge sharing in SMEs. This study will focus on individual factors because the most important determinant that influences knowledge sharing behavior has been from an individual perspective (Chatzoglou and Vraimaki, 2009). Moreover, human factors still the key success in knowledge sharing (Liu, 2008; Al-Hawamdeh, 2003). The research studies by Wu and Zhu (2012); Fathi et al., (2011) and Chatzoglou and Vraimaki (2009) have strongly supported the argument that individual psychology has a positive effect toward knowledge sharing behavior. Thus, individual behavior could be changed through learning. Since learning facilitates behavioral change, it will lead to enhanced knowledge sharing behavior. Then, it can act as moderator in enhancing knowledge sharing behavior. The proposed frameworks will lead the research study to interpret individual factors that can contribute to knowledge sharing behavior in SMEs as showed in
The individual differences in knowledge sharing behavior may influence by individual psychological or behavioral outcomes. According to previous research, individual factors play an important role in influences knowledge sharing among employees. Since individual factors are the most important, five major individual factors that have been extracted from prior studies included trust, motivation, interest, attitude, and self-efficacy are applied in this study. The following hypothesis are suggested.

P1: Individual factors (trust, motivation, interest, attitude, self-efficacy) positively influences knowledge sharing behavior.

Learning is the major process of human adaptation and occurs in all human settings from schools to the workplace, personal relationships and it encompasses all life-stages (Thorpe et al., 1993). Therefore, there are links between learning and knowledge sharing because learning can occur through knowledge sharing processes such as by internalization and externalization processes. Learning is believed to have an indirect effect to enhance knowledge sharing behaviour because the outcome of learning is behavioural or cognitive change (Jarvis, 2006; Ormrod, 1995). Hence, it is important to change individuals’ behavior through learning in order to promote knowledge sharing (Zhang and Ng, 2012). In this study, learning will be moderate the relationship between individual factors and knowledge sharing behavior. Thus the following hypothesis is proposed.

P2: Learning moderates the relationship between individual variable (trust, motivation, interest, attitude, self-efficacy) and knowledge sharing.

5. Research methodologies

After an extensive literature review, a survey questionnaire was developed for data collection purpose. The study used survey questionnaires to collect data from the selected SMES within the services and manufacturing sectors through questionnaire distributing by post to all respondents. Therefore, all the respondents are selected by random sampling method from the list of the population at SME Corporation website. After that, the main analysis of this study will be made through Structural Equation Modelling (SEM) technique. The researcher will be used SPSS to analyse demographic section and AMOS programs to evaluate the data from the survey.

6. Expected finding

The researcher expects to find that there is a strong relationship between individual factors (trust, motivation, interest, attitude, self-efficacy) and knowledge sharing in SMEs. These findings are consistent with the findings of past studies by Wu and Zhu (2012); Fathi et al., (2011) and Chatzoglou and Vraimaki (2009), which revealed that individual factors positively influence knowledge sharing. Therefore, the researcher expects that learning will moderate the relationship between individual factors and knowledge sharing. Furthermore, the finding of this could
provide a valuable insight of knowledge sharing at SMEs companies especially in Malaysian perspective. By this study, SMEs would be able to understand the pattern of learning and knowledge sharing practice their companies.

7. Conclusion

Previous literature showed SMEs as the important contribution to economic development in Malaysia. However, the SMEs failure rate is alarmingly high because of various problems that affect their operations, survival, profitability, and as well as growth. Because of the SMEs success is depend on how well they manage their knowledge, knowledge sharing is important to the creation of new knowledge and improves organizational performance. Today, the firm that’s integrated knowledge and learning in their resources tend to achieve higher capabilities to success. Thus, the proposition that has presented in the study is to study how learning enhances knowledge sharing behavior. Through an investigation of the different aspects of individual factors, it is expected that more knowledge will be provided on how learning will be considered as a moderator between individual factors and knowledge sharing.

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