# KNOWLEDGE SHARING DYNAMICS
# IN EMERGENT ECONOMIES

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### ABSTRACT

*The purpose of this paper is to present the determinant factors in shaping the dynamics of knowledge sharing in organizations, in emergent economies, like the former socialist countries. Knowledge sharing is one of the most important components in organizational learning. In the former socialist countries there is a strong inertial force of the organizational culture according to which knowledge sharing has been reduced dramatically. There are many barriers coming from the fear of losing the relative importance in organization, or even, at the limit, losing the job. In the socialist organizational culture there was no transparency and no trust among workers. The transition toward the free market economy changed some of the socialist values but not all of them. We investigated these changes and we will present our research results concerning these new determinants of the knowledge sharing dynamics.*

**KEYWORDS**: *Knowledge sharing, knowledge dynamics, emergent economies*

### Introduction

The main question that triggers the attention towards knowledge sharing is why individuals share knowledge in the context of the organization. The knowledge shared becomes a public good and therefore anyone in the organization can directly benefit from, whether or not they have contributed. This can trigger opportunistic behavior within the organization as there is a possibility to benefit from something without contributing. Thus, the individual gains without any costs associated to the gain. The costs associated with knowledge sharing are not only in the effort and the time spent in sharing but can also affect the opportunities of advancement within the organization (Lam, Lambermont-Ford, 2010), which in turn can develop the fear of losing one's position within the organization. Cabrera and Cabrera (2002) suggest that most individuals are willing to bear the cost of contributing to a public good, and receiving its benefits, as long as there is an assurance that everybody else is going to pay his or her share. Therefore, individuals don't offer knowledge for free. Knowledge sharing is more and more regarded as a business transaction process (Barachini, 2009).

But, before talking about knowledge sharing we must characterize what we mean. There are many perspectives on knowledge sharing. On one hand some authors consider knowledge sharing or transfer as implying that during a given exchange, one individual or group will at some point know more than the other (Leonard, 2007). The word transfer is used more often in order to emphasize that the movement of knowledge within the organization is a process that depends of

the characteristics of everyone involved (Szulanski, 1995, 1996), meaning that the message delivered by an individual has to be interpreted by the receiver before it becomes knowledge of the latter. On the other hand, Bonifacio et al. (2002) characterize knowledge sharing as the process of disseminating knowledge. When people use information from databases they start to interpret it, thus they start producing new, different knowledge from the same information, conveying the idea that only information can be disseminated and exchanged and not knowledge. In this perspective, the authors (Bonifacio et al., 2002) argue that an objective epistemology must exist, and knowledge is regarded upon as being private, personal and in strong connection with the values and beliefs of the holder.

In our perspective knowledge sharing processes consist of transfer of information from one individual or group to another; information that will later on be interpreted and internalized by the receiver in accordance with the level of pre-existent knowledge and personal values, beliefs and intuition. Thus, knowledge is created through the transfer of information and successful or unsuccessful knowledge sharing is a consequence of that transfer. Research in the field of knowledge sharing and transfer (Szulanski, 1995, 1996, Jensen, Szulanski, 2004, Bratianu, Orzea, 2010a, 2010b; Barachini, 2009) indicates that the process of sharing and transferring knowledge is a very difficult, sticky one. Szulanski (1995) introduced the concept of stickiness in knowledge transfer in order to underline the difficulty of transferring knowledge. Stickiness is seen as an important determinant of the degree of diffusion and utilization of superior knowledge and more broadly the ability of a company to grow and prosper by replicating existing assets and capabilities (Szulanski, 1995).

A country like Romania, that formed part of the Communist bloc for more than forty years, has a high power distance dimension, a high collectivist nature and high masculinity pointing out a high degree of gender differentiation. During the socialist period the mentality of Romanian citizens has undergone multiple changes. The economy, the value system and the beliefs were also affected by the changes. The rights and people's freedom were severely affected. Control over society became stricter and stricter. The very idea of being controlled induced a permanent tension in people and created an organizational culture based on fear (Bratianu, Vasilache, 2009). Changing the political regime faced Romania with another wave of changes, and once again the country was not prepared to make the switch from socialism to capitalism. The Government took economic and political decisions based on their historical and cultural traditions. Unfortunately these changes were faced by powerful inertia forces. When changes take place in the society the formal rules change but the informal constraints are still present for a long period of time. The same happens with the cultural values of people and the inertial thinking pattern, which cannot be changed overnight (Bratianu, Vasilache, 2009) and can have a great influence on the processes that take place within an organization. Therefore, the main purpose of this article is to identify the determinant factors in shaping the dynamics of knowledge sharing within organizations.

## 1. Determinants of knowledge sharing

The study of knowledge sharing dynamics (Bratianu, Orzea, 2010a, 2010b) revealed the existence of four categories of factors that have an influence on knowledge sharing processes:
   1. Emotional factors;
   2. Socio-cultural factors.
   3. Cognitive factors;
   4. Experience based factors;

The first category of factors, the *emotional ones*, is closely related to the interactions that people have inside the group, the organization. Each group, each department is formed of people, that have their own identities, values, beliefs. Membership in a social group is an emotionally important aspect of the individual self-concept (Sackmann et al. 2002 cited in Ardichvili et al. 2006). Thus the identity of the people can have a say in the process of knowledge sharing due to the existence of stereotypes, racism, negative emotions. These types of negative emotions can hinder the process of knowledge sharing by creating a feeling of distrust among co-workers. Trust is considered an important emotional factor in the process of knowledge sharing. The level of trust that exists between the organization, its subunits, and its employees greatly influences the amount of knowledge that flows both between individuals and from individuals into the firm's databases, best practices archives and other records (De Long, Fahey, 2000). Most people are unlikely to share their knowledge and experience without a feeling of trust in the person in front of them; they need to trust that the people will not misuse their knowledge, and to trust that the information that one receives is accurate and credible due to the source of information.

In close connection with the emotional factors are the *socio-cultural factors*, which denote the culture in which the person developed. The cultural dimensions show the overall characteristics of a country. The distinction between individualism and collectivism is very frequently used in cross cultural studies. On one hand individualism refers to the tendency of people to place personal goals ahead of the goals of a larger social group, whereas, collectivism refers to the tendency of people to place the goals of larger groups they belong to ahead of the personal ones. In individualistic cultures members see themselves as being independent from the others members (e.g. the U.S. culture), as for in a collective culture the members see themselves as interdependent with other members (e.g. the Japanese culture). Also, in individualistic cultures, individuals tend to see each piece of information independent of its context, emphasize information in written and codified form and are more likely to accept such information. On the other hand, members of collectivistic cultures look for contextual cues in information and tend to disregard information in writing (Ardichvili et al. 2006).

The other dimensions of a culture as mentioned by Hofstede (2001) also affect the transfer of knowledge within organizations. If we are to take the power distance dimension, we have powerful and less powerful members. People in powerful cultures tend not to value equality; they see themselves as being different from other in term of social status, as for people in less powerful cultures see the difference in status as being less pronounced. Because of the differences in

perceiving the social status the transfer of knowledge between individuals belonging to different cultures can be difficult. Hofstede (2001) suggests that in powerful cultures information flows are usually constrained by hierarchy, which might lead to an exclusion of lower-level employees from access to certain types of information. Such practices could create obstacles for knowledge sharing processes in organizations with members with different status. Another problem highly encountered in powerful cultures is the one of gaining or losing face (Ardichvili et al. 2006). Members of the individualistic cultures are more concerned about gaining face. For example in USA students often ask question in class in order to increase their prestige and recognition not just to gain knowledge. The members of the group mostly concerned with gaining face will tend to use formal communication channels to show their knowledge and ability, while those who worry about losing face will prefer informal communication channels.

Sharing knowledge is also perceived as losing one's power. Knowledge is power and can lead to inequalities in status. Sharing one's knowledge can lean to a perceived lack of job security. People can regard sharing their knowledge and experience as weakening their corporate position, their power within the company. There often is present in a working environment the fear among people that sharing their knowledge reduces their job security because they are uncertain about the intent of the people to whom they share their knowledge to. In a company can also be present employees that intentionally take ownership of their knowledge and experience so that they receive recognition from colleagues and peers (Bratianu, Orzea, 2010a, 2010b).

Ford and Chan (2002 cited in Rivera-Vazquez, Ortiz-Fournier, Flores, 2009) argue that cultures and knowledge transfer intersect in the following ways:

- cultures that are high on individualism may have more difficulty in knowledge transfer than cultures that are high on collectivism;
- cultures that are high on power distance may have a more top-down flow of knowledge than cultures that are low on power distance;
- cultures that are high in masculinity may have less knowledge transfer between organizational members if the competitiveness is individually based, then there may be no difference if competitiveness is organizationally based;
- knowledge transfer between heterogeneous cultural groups may be more difficult or require more time and effort than knowledge transfer within a homogenous cultural group.

A third category of factors affecting the process of knowledge sharing within organizations is the *cognitive factors*. The cognitive factor refers to frames of reference or cognitive structures shared by the members of the same group, organization. They are also a derivate of the social factors, in the sense that the cognitive structures of the members are the result of the social context of the group. Due to constant interactions at the workplace the members of the same profession develop a specific language, with specific vocabulary, gestures, rules, frameworks and so on, knowledge that influences the way problems are addressed and resolved. Szulanski (1995, 1996) proved the three most important origins of stickiness are the lack of absorptive capacity of the recipient, causal ambiguity and an arduous

relationship between the source and the recipient. Absorptive capacity is a function of the recipient's knowledge endowment prior to the transfer, causal ambiguity reflects the recipient's depth of knowledge and the quality of the relationship affects the recipient's ability to acquire knowledge when needed. To be able to work together, the members of a group need to develop and negotiate a commonly held reality that allows meaningful communication, mutual understanding and aligned action.

Last but not least, the *experience based factors* refer to the knowledge that each member of the organization, of the group gained over the years at work. It represents the stock of accumulated knowledge that was developed over the years. The background of the individual shapes the interpretation of the work situations and individual perspectives. Unfortunately the past experience can also contribute to the development of stereotypes with respect to the relations that the employee has with other cultures, organizations or even co-workers.

### Conclusion

The true value of knowledge is in its re-use. Knowledge that is trapped inside the minds of key employees, in filing drawers and databases, is of little value of it is not supplied to the right people at the right time (Teece, 2000). The dynamics of knowledge sharing within organizational environments is a very delicate problem due to the fact that the knowledge shared becomes a public good and therefore anyone in the organization can directly benefit from, whether or not they have contributed.

The theoretical and the empirical research on the topic of knowledge sharing have proved the existence of several categories of factors that can contribute to the success or not of the process of knowledge sharing within organizations. The four categories of determinant factors are emotional factors, cognitive factors, experience-based factors and socio-cultural factors. In order to create a culture with the focus on knowledge sharing the managers have to first consider the four categories of factors that can hinder the process of knowledge sharing.

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