Chapter 14
Exploring the Extent and Impediments of Knowledge Sharing in Chinese Business Enterprise

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ABSTRACT
This study explores the extent and impediments of knowledge sharing in Chinese firms because they are becoming dominant entities in the global economy, yet limited research exists on this important aspect of their operations. Survey data are obtained from experienced managers of 164 Chinese firms from a wide range of industries, sizes, and ownership types. The responses indicate that knowledge sharing is not open and complete in Chinese firms. Similar to findings from developed economies in the West, a large number of factors impede knowledge sharing in Chinese firms. These range from Chinese cultural values—which had been identified as being important by prior China-based studies—to attributes of the firm (e.g., incentive system, communication channels, organizational culture), as well as those of knowledge holders and potential recipients (e.g., judgment ability, organizational commitment). Implications of these findings for practice and research are discussed.

1. INTRODUCTION AND OVERVIEW
Knowledge is increasingly being viewed as a key source of competitive advantage, economic growth, and corporate value (Volberda, 2005; Lev, 2001; Stenmark, 2000). Many large global corporations have launched formal initiatives to promote knowledge sharing among employees (e.g., CIGNA, Dow Chemical, Hewlett-Packard, Shell, Xerox), and articles addressing the topic have proliferated in the professional literature (e.g., Robinson et al., 2006; Weick, 2005; Sharp,
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2003; Alavi & Leidner, 2001; Stimpson, 1999). This widespread attention to knowledge sharing is based on the belief that bringing together the full range of employees’ skills, knowledge, and experience increases the effectiveness with which firms can solve problems, avoid repeating mistakes, and spread the adoption of best practices (Collins & Smith, 2006; Husted & Michailova, 2002).

Yet total and full knowledge sharing is not a naturally-occurring phenomenon in most organizations. A large body of research in developed economy settings, especially in organizational learning (e.g., Argote, 1999; Hedlund, 1994; Epple et al., 1991; Huber, 1991) and cognitive psychology (e.g., Kraiger et al., 1993), has found that knowledge transfers within organizations typically are both limited and difficult to achieve (Szulanski, 1994, 2000, 2003; von Hippel, 1994). Consistent with this finding from academic studies, a survey of high-level executives by Ernst & Young has found that while 87 percent of the participants named knowledge as being critical to competitiveness, fully 44 percent considered knowledge transfers within their organizations to be either poor or very poor (Stimpson, 1999, p. 36). The literature also has identified a wide range of factors that can impede knowledge sharing in organizations. These range from macro-level factors like organizational culture (Long & Fahey, 2000), reward systems (Bonner et al., 2000) and use of information technology (Banker et al., 2002), to more micro-level variables like workload pressure (DeZoort & Lord, 1997), closeness of supervision (Brazel et al., 2004), organizational commitment (Putti et al., 1990), and apprehension about being evaluated (Irmer et al., 2002).

In this study, we explore the extent and impediments of knowledge sharing in Chinese firms. These firms are becoming increasingly important in the global economy as suppliers, customers, competitors, partners, and investment targets (OECD, 2005; Roberts & Engardis, 2006), yet only a few studies have investigated the knowledge sharing aspect of their operations. While a large literature does exist on knowledge sharing, it is almost entirely focused on developed Western economies and may not be directly generalizable to the Chinese setting. Our study engages a rather large sample that encompasses Chinese firms of different sizes, industry types, state vs. private ownership, and domestic vs. foreign ownership. The findings indicate that knowledge sharing in Chinese firms is far short of being completely open, and that a wide range of factors, ranging from Chinese cultural values to attributes of the firm and individual employees, affect the extent of knowledge sharing. In addition to advancing understanding of an important aspect of Chinese firms’ operations, these findings can augment general knowledge about factors that influence knowledge sharing in our increasingly global economy.

The remainder of this article is organized as follows. The next section reviews the Western literature to illustrate the wide range of factors that have been found to impede knowledge sharing in organizations. Then we provide examples of factors that may affect knowledge sharing in Chinese firms. Some of these overlap ones already reported in the Western literature, while others are relatively unique to the Chinese setting. We also review several prior studies in the Chinese context to show the need for further inquiry. Following this, we explain how we developed and used a survey to collect data from experienced Chinese managers, then present the data and findings. The final section concludes the paper with a summary and discussion of the results.

2. POTENTIAL DETERMINANTS OF KNOWLEDGE SHARING

The factors suggested by the extant (Western) literature as having an effect on knowledge sharing can be grouped under a number of general headings, including the attributes of the knowledge itself, attributes of the knowledge holders and potential