Breaking the Myths of Rewards: An Exploratory Study of Attitudes About Knowledge Sharing

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Many CEOs and managers understand the importance of knowledge sharing among their employees and are eager to introduce the knowledge management paradigm in their organizations. However little is known about the determinants of the individual’s knowledge sharing behavior. The purpose of this study is to develop an understanding of the factors affecting the individual’s knowledge sharing behavior in the organizational context. The research model includes various constructs based on social exchange theory, self-efficacy, and theory of reasoned action. Research results from the field survey of 467 employees of four large, public organizations show that expected associations and contribution are the major determinants of the individual’s attitude toward knowledge sharing. Expected rewards, believed by many as the most important motivating factor for knowledge sharing, are not significantly related to the attitude toward knowledge sharing. As expected, positive attitude toward knowledge sharing is found to lead to positive intention to share knowledge and, finally, to actual knowledge sharing behaviors.

INTRODUCTION
As the 21st century unfolds, many people regard the strategic management of knowledge resources as one of the key factors for sustainable competitive advantages. In particular, knowledge sharing is perceived to be the most essential process for knowledge management. In a survey of the 260 CEOs and directors in European multinational organizations, 94% of the respondents answered that people should share what they know with others in the organization (Financial Times, 1999).

However, as Davenport (1997) argues, sharing knowledge is often unnatural. People will not share their knowledge as they think their knowledge is valuable and important. Hoarding knowledge and looking suspiciously upon knowledge from others are the natural tendency. In addition, this natural tendency is difficult to change. In a study of 431 U.S. and European organizations, conducted in 1997 by the Ernst & Young Center for Business Innovation, the biggest difficulty in knowledge management was “changing people’s behavior” (Ruggles, 1998).

Therefore, rather than just encouraging or mandating knowledge sharing, fostering the motivation to share knowledge must precede. The purpose of this research is to develop an understanding of the factors that support or constrain the individual’s knowledge sharing behavior in the organization, and how they eventually influence the knowledge sharing behaviors. We propose expected rewards, expected associations, and expected contribution as the major determinants of the individual’s knowledge sharing attitudes, and this attitude as a determinant of the intention to share knowledge. Then, we suggest the knowledge sharing intention as an immediate predictor of the knowledge sharing behavior. Theory of Reasoned Action (Fishbein & Ajzen, 1975) is adopted as the theoretical basis to explain how these determinants affect the knowledge sharing behavior.
THEORETICAL BACKGROUND: THEORY OF REASONED ACTION

Theory of Reasoned Action assumes that human beings are usually quite rational and make systematic use of information available to them. For this reason, this approach is referred to as a “Theory of Reasoned Action (TRA)” (Fishbein & Ajzen, 1975).

According to TRA, a person’s performance of a specified behavior is determined by his behavioral intention (I) to perform the behavior (B = f(I)). Next, the intention is jointly determined by the person’s attitude (A) and subjective norm (SN) concerning the behavior in question with relative weights typically estimated by the regression coefficients (BI = Aw1 + SNw2). And then, a person’s attitude toward a behavior is determined by his salient beliefs (bi) about the consequences of performing the behavior multiplied by the evaluation (ei) of those consequences (A = Σbiiei). Finally, an individual’s subjective norm (SN) is determined by a multiplicative function of his normative beliefs (nb) and motivation to comply (mci) (SN = Σnbmcici).

TRA is a widely accepted model in social psychology to explain virtually any human behavior (Fishbein & Ajzen, 1980). A particularly helpful aspect of TRA is that it assumes all other factors influence behavior only indirectly by influencing attitude, subjective norms, or their relative weights (Davis, et al., 1989). Based on this explanatory power, TRA can be a useful model for explaining the knowledge sharing behavior in organizations, as Davis et al. presented the technology acceptance model (TAM) by adapting TRA to explain the individual’s computer usage behavior. In this study, we focus only on the salient beliefs which affect the knowledge sharing attitude, because we assume that the knowledge sharing behavior is motivated and executed mainly at the individual level. The role of social factors may also need to be studied in the future.

RESEARCH MODEL AND HYPOTHESES

With the advent of the knowledge management paradigm, researchers have examined many variables believed to affect the individual’s knowledge sharing behavior. Some of them have been used in the information sharing research such as incentive systems and culture, and others such as top management and senior leadership have been emphasized in the knowledge sharing research.

Despite such attempts, few researchers empirically tested each factor in the knowledge-sharing context on a solid theoretical foundation. In this study, we propose three factors—expected rewards, expected associations, and expected contribution—identified in social psychology theories as the salient beliefs for knowledge sharing attitude. Based on TRA, the suggested research model for this study is presented in Figure 2.

Figure 1: Theory of reasoned action

Adapted from Figure 1.1 in Understanding Attitudes and Predicting Social Behavior (Ajzen & Fishbein, 1980, p. 8).

Economic Exchange Theory

Knowledge sharing is a kind of social interaction among people. Two principal theories which explain the social interaction of people are economic exchange theory and social exchange theory. According to the economic exchange theory, individuals will behave by rational self-interest. Thus, knowledge sharing will occur when its rewards exceed its costs (Kelley & Thibaut, 1978; Constant et al., 1994). That is why many researchers have emphasized incentive systems for successful knowledge management. Hence, expected rewards imply that, if employees believe they will receive extrinsic benefits such as monetary rewards, promotion, or educational opportunity from their knowledge sharing, they would develop a more positive attitude toward knowledge sharing.

H1: Expected rewards will have a positive effect on the individual’s attitude toward knowledge sharing.

Social Exchange Theory

While economic exchange theory concerns extrinsic benefits, social exchange theory concerns intrinsic rewards (Blau, 1967). Social exchange differs from economic exchange in that social exchange entails unspecified obligations. In contrast to economic commodities, the benefits involved in social exchange do not have an exact price in terms of a single quantitative medium of exchange, and the nature of the return cannot be bargained about. This is why only social exchange tends to engender feelings of personal obligation, gratitude, and trust.

For example, the initial offer of knowledge to a newcomer in an organization entails a friendly relationship, and the individual who has received the help feels an obligation to reciprocate. If the newcomers reciprocate properly, they will prove themselves trustworthy and exchange relations will be established (Gouldner, 1960; Blau, 1967). Thus, not only extrinsic benefits but also intrinsic benefits from social association should be considered as a key determinant of knowledge sharing.