Chapter XXVIII

Tensions between Knowledge Creation and Knowledge Sharing: Individual Preferences of Employees in Knowledge–Intensive Organizations

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ABSTRACT

Contemporary literature usually views knowledge creation and knowledge sharing as either independent or positively related processes. However, based on the review of the literature on the organizational conditions aimed to support these processes, the author challenges this view at the individual level of analysis and suggests that an individual employee can hardly simultaneously combine features that support both knowledge creation and knowledge sharing and thus can hardly be efficient in both processes at the same time. The data from the survey of 120 employees from 5 knowledge-intensive companies supported this idea, and the author discusses its implications for further research and for management practice in knowledge-intensive organizations.
INTRODUCTION

Managing knowledge-related processes in organizations is one of the hotly discussed themes of the last decade. Both management practitioners and academics claim that these processes are crucial for creating and maintaining a competitive advantage in the post-industrial era (see, e.g., Nonaka, 1994; Davenport & Prusak, 2000). Another topical issue for organizations is managing their human resources, as people are now recognized as being the most valuable asset of the modern organization (see, e.g., Becker & Gerhart, 1996; Lepak & Snell, 1999). Interestingly, the tasks and problems of these two approaches to sustaining a company’s competitiveness, knowledge management and human resource management, are deeply interrelated, as the efficiency of knowledge employment is highly dependent upon the good will of the employees (Husted & Michailova, 2002; Minbaeva et al., 2003; Storey, 2005). Yet, despite the obvious significance of individual-level factors for knowledge management, they are poorly discussed in contemporary literature and there is a lack of empirical evidence on the effects of these factors (Foss & Felin, 2006).

Though considered relevant for most contemporary organizations, these issues are especially critical (and even more intertwined) for so-called “knowledge-intensive organizations” — firms whose main activity is based on the employment of knowledge (Starbuck, 1992; Alvesson, 1995; Nurmi, 1998). In fact, employees with their knowledge and skills form the key capital of such a company and determine its unique competitive advantages, with its other assets playing only an auxiliary role. Thus, an understanding of individual knowledge-related behaviour and the grounded design of human resource management practices are strategically important for the competitiveness of knowledge-intensive firms (KIFs) (Boxall & Steeneveld, 1999; Robertson & Hammersley, 2000; Swart & Kinnie, 2003).

This paper presents some findings from research on Russian knowledge-intensive companies, and is aimed at shedding more light on peculiarities of individual behaviors related to two key knowledge-related processes: knowledge creation and knowledge sharing. I start with a presentation of the theoretical grounds of this research, which include a critical analysis of the relationship between knowledge creation and knowledge sharing, a discussion of the role of an individual in these processes; and a formulation of research questions. Further on, I present the research strategy, including data collection methods and sample characteristics. Then I turn to research findings, and conclude the paper with a discussion of them and of implications for further research and for management practice in knowledge-intensive organizations.

THEORETICAL GROUNDS

Contemporary management theory views knowledge as one of the key sources for the creation and maintenance of a sustainable competitive advantage in a post-industrial economy (Kogut & Zander, 1992; Grant, 1996; Teece, 2004). Consequently, the tasks of managing various knowledge-related processes in an organization are brought to the forefront. Two knowledge-related processes — knowledge creation (Nonaka, 1991) and knowledge sharing (Husted & Michailova, 2002) — dominate the literature on the issue.

Why are these processes in particular so widely discussed by both academics and practitioners? New knowledge allows a company to leave its competitors behind by undertaking innovative actions, and thus to appropriate so-called Schumpeterian rents (Schumpeter, 1934). A number of economists believe that innovation-based competition can serve as a basis for successful development in the post-industrial knowledge economy (Romer & Kurtzman, 2004). Sharing existing knowledge