

# Chapter 14

## Organisational Context for Effective Knowledge Sharing: The Role of Intrinsic Motivation

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### ABSTRACT

*In the knowledge era, organizations have to learn faster and better than competition, with the continuous cultivation of a culture of knowledge sharing. Attention should be paid to motivating employees to develop a positive attitude towards knowledge sharing, actively exchanging information and knowledge, continuously participating in learning processes, or putting knowledge sharing activities into everyday routine and habit. The research objectives are identification of the nature of the influence of intrinsic motivation on the knowledge sharing practice in organizations in the Republic of Serbia, determining the presence of a statistically significant difference in the intraorganizational knowledge sharing between multinational and domestic enterprises, and determining a statistically significant difference in the level of intrinsic motivation among employees in multinational companies and employees in domestic enterprises. The obtained results confirm the impact of intrinsic motivation on knowledge sharing.*

### INTRODUCTION

Numerous studies conducted over the past thirty years have shown that human resources represent a significant source of competitive advantage (Wright et al., 1994) and have a positive impact on organizational performance (Lepak, Takeuchi & Snell, 2003; Bowen & Ostroff, 2004). Since tacit knowledge is “placed” in people’s heads or individuals employed by the organization, it can be concluded that human resource management plays an important role in the development and implementation of the knowledge management concept in the organization, which is defined as the process of creating, adopting, sharing

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and the use of knowledge to improve business performance (Bassi, 1997). Relations between employees play a key role in the diffusion of tacit and explicit knowledge in an organization, and the identification of motivational mechanisms contributes to a better understanding of individual incentives among employees.

The transition from the industrial to the information era resulted in the adoption of a new production paradigm (Teece, 2003; Aureli, Giampaoli, Ciambotti & Bontis, 2019), where the most important resources are immaterial, and human capital is classified as the most important part of intangible assets. The new industrial revolution, popularly marked as Industry 4.0, has contributed to significant changes in the way the business model works, but also the life of individuals and the whole society (Kravchenko & Kyzymenko, 2019). Automation, robotics, artificial intelligence systems (Google, Siri, etc.), introduction of cyber-physical systems, etc. (Kravchenko & Kyzymenko, 2019), additionally contributed to the emphasis on the importance of intangible assets (Gal, Nicoletti, Renault, Sorbe & Timiliotis, 2019). Since the foundation of human capital is knowledge, it becomes a key factor that enables the creation of a competitive advantage (Nonaka, 1994). Knowledge of employees is based on their experience and abilities to absorb new knowledge (Ognjanović & Simić, 2019). Therefore, knowledge is a factor of vitality, innovation, driving force, which affects the efficient use of other resources in the organization, and it is understandable and applicable to problem solving or decision making (Aureli et al., 2019). Moreover, knowledge is the only resource that is not reduced by sharing, but by an effective exchange, the overall knowledge of the organization is increased (Slavković & Simić, 2018).

Recognizing knowledge as the valuable, rare resource, difficult to imitate, the process of knowledge sharing in organisation is considered to be an important process of social interaction (Van den Hooff et al., 2012). Employees have always created and shared knowledge within the organization, and the process of knowledge sharing was considered as natural and mandatory process that inevitably arrives. However, it was found that in the best conditions and in a perfect organizational atmosphere, the sharing of knowledge is complex and multiple processes (Hendriks, 1999).

Factors that are considered crucial for sharing knowledge are the nature of knowledge, motivation to share knowledge with others, situation, working atmosphere, and organizational culture (Cummings & Teng, 2003). Given that advanced technological solutions contribute to more effective sharing of knowledge in the organization (Aureli et al., 2019), the focus is on the behavior of individuals and their personal values, which determine the level of their motivation (Schwartz, 2012; Cherne, Nerstad, Dysvik & Škerlavaj, 2014). Knowledge is intrinsically and inseparable from the ego and profession of the person who owns it (Davenport & Prusak, 1998), and does not circulate easily and smoothly with the organization. As knowledge becomes more and more valuable and brings more value, it is logical that employees retain this knowledge for themselves and upgrade it. Therefore, in order to share the knowledge it is necessary that the employees be strongly motivated. Motivational factors that influence knowledge sharing are classified into two categories - intrinsic and extrinsic (Deci & Ryan, 1985; Ryan & Deci, 2017).

Since exclusively relying on external awards can only lead to short-term results, the emphasis is on intrinsic motivation. Employees inspired by "intrinsic rewards" are characterized by the desire for personal achievement, autonomy and work challenges (Roomkin & Weisbrod, 1999; Merchant et al., 2003), which results in more efficient transfer of knowledge and facilitates the learning process (Slater & Narver, 1995). In the context of knowledge sharing, Foss et al. (2009) have shown that intrinsic motivation was positively predictive of knowledge sharing, while extrinsic motivation has negative impact. Intrinsic motivation is a powerful means for overcoming the obstacles in the intraorganizational knowledge sharing, especially in the situation when formation of informal groups occurs. In this way, assumptions are provided for the quick resolution of conflicts and the adoption of business practices that facilitate

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