

# Chapter 20

## Knowledge Sharing between Enterprises of the Same Group

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### ABSTRACT

*This exploratory study seeks to promote investigation about knowledge sharing between enterprises of the same enterprise group and is motivated by the growing importance of knowledge management (KM) to businesses. The data was collected from Community Innovation Survey (CIS) 2012 and three linear regressions were performed (one to all enterprises, one to SME and one to large enterprises). The results show that cooperation for product or process innovation and service innovation influence knowledge sharing between enterprises of the same enterprise group, contributing to learning organizations. The present paper clarifies the importance of innovation and cooperation for innovation in KM practices between enterprises of the same enterprise group. The results are only valid to SME, since large enterprises have different practices of KM.*

### INTRODUCTION

Knowledge management is the science of managing the intellectual capital that is controlled by a given company (Petty & Guthrie, 2000). It is a systematic process used by organizations and individuals to locate, store, retrieve, share, adapt and use knowledge in order to promote the objectives of the organization, having always been regarded as a powerful tool for organizations (Karamitri, Talias, & Bellali, 2015).

The objectives of KM are making organizations act in a way as smart as possible, in order to ensure its viability and success, and allowing organizations to get the best value added from their knowledge resources. To achieve these goals, organizations build, transform, organize, deploy and use knowledge

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resources effectively (Wiig, 1997). Another objective of KM is to improve the effectiveness and sustain the viability of any organization, whether it is a commercial one or a part of a society, a country or a single individual (Wiig, 2002).

This work is motivated by the growing importance of KM for enterprises, particularly, knowledge sharing, and intends to answer the following question: does innovation and cooperation for innovation influences cooperation between enterprises of the same enterprise group and, consequently, knowledge sharing between enterprises of the same enterprise group? The work is focused on SMEs, aiming to shed new insights about this type of enterprises, since KM research is, traditionally, centered in large enterprises.

This work is divided in a first part with a literature review about KM, innovation and about the importance of KM and innovation to organizational performance, and then in a second part the methodology will be presented followed by the results, the discussion and the conclusion.

## **KNOWLEDGE MANAGEMENT**

The growing relevance of intangible assets can be found in the evaluation of enterprises over the past decades, in which the ratio between the market value and the accounting value of a company has been steadily increasing, especially since the 90's. This demonstrates that the financial accounting systems are not appropriate indicators of economic or resources value (John, 2009). Progressively, KM is seen as an intangible asset that maximizes profits and provides a comparative advantage to those who hold it, so the interest for this area of research has been growing (Karamitri et al., 2015; Sensuse, Suchayo, Rohajawati, & Anggia, 2014).

The sharing and transfer of knowledge have gained an increasingly central role, believing that they play a pioneering role in organizations (Asrar-ul-haq & Anwar, 2016). The demand for success in an ever-increasing competitive market leads organizations to implement strategies that help in the acquisition, maintenance, storage and dissemination of knowledge, in order to be reused when needed (Barros, Ramos, & Perez, 2015). To achieve this, many organizations feel the need to acquire technologies that allow sharing and efficient access to knowledge (Diamantini et al., 2013).

The constant process of acquisition and exploitation of knowledge in organizations contributes to the development of knowledge sharing practices within the company and increases the ability to solve problems, to create new knowledge and to innovate (D'Arrigo et al., 2015). Knowledge management is considered essential for the increase of productivity and flexibility in both the public and private sectors (Martensson, 2000).

The majority of research in the field of KM tends to emphasize large companies but, assuming that small and medium size enterprises (SMEs) are the "Engines" of most nations, this situation is not satisfactory. The existing empirical literature provides only fragmented information about KM in SMEs (Durst & Edvardsson, 2012), emphasizing that KM in SMEs is a facilitator of the longevity of the business, where learning emerges through an evolutionary process that begins in the family and continues inside and outside the business (Chirico, 2008).

In SMEs, the majority of the identification of knowledge is made through informal networks and, as organizations grow, these networks can be aware of all the knowledge that is necessary to manage. Many SMEs seem to have efficient communication networks with rapid response capacities in relation

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