

# New Perspectives on Rewards and Knowledge Sharing

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## INTRODUCTION

Of the 260 responses from a survey of European multinationals, 94% believed that knowledge management requires employees to share what they know with others within the organization (Murray, 1999). Among the processes of knowledge management—creation, sharing, utilization and accumulation of knowledge—sharing is what differentiates organizational knowledge management from individual learning or knowledge acquisition.

However, the process of sharing knowledge is often unnatural to many. Individuals will not share knowledge that is regarded to be of high value and importance. In fact, the natural tendency for individuals is to hoard knowledge or look suspiciously at the knowledge of others. Thus, incentive schemes—where employees receive incentives as a form of compensation for their contributions—are common programs in many organizations. Such schemes have met their fair share of success as well as failure in the field of knowledge management. On the one hand, the carrot and stick principle used in Siemens' ShareNet project turned out to be a success (Ewing & Keenan, 2001). On the other hand, the redemption points used in Samsung Life Insurance's Knowledge Mileage Program only resulted in the increasingly selfish behavior of its employees (Hyoung & Moon, 2002).

Furthermore, despite the plethora of research on factors affecting knowledge sharing behavior, little concerns discovering effective ways to encourage individuals to voluntarily share their knowledge. Early studies on knowledge management began by trying to discover key factors pertaining to knowledge management in general, instead of knowledge sharing in particular, as summarized in Table 1. Although research on knowledge sharing started around the mid 1990s, it focused mainly on knowledge sharing at the group or organizational level in spite of the fact that knowledge itself actually originates from the individual. Even at the group or organizational level,

most studies dealt with a specific knowledge type, such as best practices (Szulanski, 1996) or a specific context, such as between dispersed teams (Tsai, 2002). In addition, factors such as trust, willingness to share, information about the knowledge holder, and the level of codification of knowledge were considered in abstract. Although these factors are valuable, they require further empirical research before they could be used to explain the individual's fundamental motivation to share knowledge. Thus, this study aims to develop an understanding of the factors that support or constrain the individual's knowledge sharing behavior in the organization, with a special interest in the role of rewards. This is done according to Fishbein and Ajzen's (1975) Theory of Reasoned Action (TRA), a widely accepted social psychology model that is used to explain almost any human behavior (Ajzen & Fishbein, 1980).

## BACKGROUND

Due to the fact that knowledge is a resource that is locked in the minds of humans, knowledge sharing does not occur with the sole implementation of information systems. As such, an investigation into the individual's motivation behind knowledge sharing behavior, coupled with a firm foundation in social psychology, should take precedence. Accordingly, the TRA is adopted so as to provide a well-established explanation for such volitional, rational, systematic decision logic as that of knowledge sharing.

The TRA assumes that human beings are usually rational in thinking, and would systematically use available information (Fishbein & Ajzen, 1975). In the TRA, the individual's attitude toward and subjective norm regarding a behavior jointly determine the behavioral intention that results in the individual's decision to engage in a specific behavior. In this study, we focus only on the

Table 1. Factors affecting knowledge management and knowledge sharing

	Factors	References
Knowledge Management	Knowledge management system, Network, Knowledge worker, Clear vision and goals, Middle-up-down management, Organizational change, Monitoring and support, Knowledge infrastructure, Knowledge repository and map, Organizational culture, Top manager's support	Davenport, De Long, and Beers (1998); Davenport and Prusak (1998); Earl (1996); Nonaka and Takeuchi (1995); Ulrich (1998); Wiig (1997)
Knowledge Sharing	<b>The Group and Organizational Level</b> Level of trust between groups, Arduous relationship between source and the recipient, Role of top managers, Characteristics of knowledge, Prior experience on knowledge transfer, Channel richness, Openness of the organization	Butler (1999); Gupta and Govindarajan (2000); Kogut and Zander (1993); Nelson and Coopride (1996); Szulanski (1996); Wathne, Roos and Krogh (1996)
	<b>The Individual Level</b> Trust between individuals, Willingness to share, Information about the knowledge holder, Level of codification of knowledge	Hansen (1999); Kramer (1999); Moreland (1999); Stasser, Stewart, and Wittenbaum (1995); Tsai and Ghoshal (1998)

salient beliefs that affect the knowledge sharing attitude because knowledge sharing behavior is assumed to be motivated and executed mainly at the individual level. Since the TRA can be applied to almost any behavior, the nature of the beliefs operative for a particular behavior are left unspecified. Following the elicitation recommendations suggested by Fishbein and Ajzen (1975), free response interviews to elicit five to nine salient beliefs were conducted with chief knowledge officers (CKO) and chief information officers (CIO) of the subject population in April 1999. Once these salient beliefs surfaced, the research model was developed.

We propose three factors that are consistently emphasized throughout the interviews: anticipated extrinsic rewards, anticipated reciprocal relationships, and perceived personal contribution to the organization, as the antecedents of the attitudes towards knowledge sharing. According to the interdependence theory, individuals will behave according to rational self-interest. Knowledge sharing occurs when the rewards exceed the costs (Constant, Keisler & Sproull, 1994; Kelley & Thibaut, 1978), implying that anticipated extrinsic rewards will positively affect the individual's attitude. Concerning intrinsic rewards, the social exchange theory states that social exchanges entail unspecified obligations (Blau, 1967). As employees are seen to believe that their relationship with others can be improved through sharing knowledge, the anticipated reciprocal relationships positively affect the individual's attitude. In addition to these, the self-motivation theory (Deci, Connell & Ryan, 1989; Iaffaldano & Muchinsky, 1985; Schwab & Cummings,

1970) finds that feedback from others on shared knowledge can form a self-motivational factor and serve as another major determinant of the attitude toward knowledge sharing. Eisenberger and Cameron (1996) note that one's sense of competence actually increases due to the feedback concerning the quality of one's output. Employees who are able to link instances of past knowledge sharing with an understanding of how these actions contribute to others' work, and/or improvements in organizational performance are likely to develop more favorable attitudes toward knowledge sharing than employees who are unable to construct such linkages. Finally, following Fishbein and Ajzen's (1975) argument about the possibility of several external variables affecting intention to perform a behavior, we introduced an aspect of information technology (IT) into our model. Since IT is considered to be an important enabler in knowledge management (O'Dell & Grayson, 1998; Ruggles, 1998), we examined how the individual's level of IT usage affects knowledge sharing behavior.

Data were collected through the utilization of a survey. A total of 900 questionnaires were distributed in October and November 1999 to employees in 75 departments of four large government-invested organizations in South Korea. Of this total number, 861 responses were received, of which 467 were usable. We found that the anticipated reciprocal relationship provided for the individual's positive attitude towards knowledge sharing, and resulted in a positive influence of intention and behavior. However, contrary to many researchers' expectations, anticipated extrinsic rewards were found to have a negative effect on such an attitude.

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