Chapter IX
The Knowledge Sharing Model:
Stressing the Importance of Social Ties and Capital

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ABSTRACT

This chapter works out a method on how information resources in organizations can be turned into a knowledge sharing (KS) information culture, which can further feed business success. This process is complicated, and the value chain can be broken in many places. In this study this process is viewed in the light of resource-based theory. A KS-model is developed where the hard information resources of time, people and computers are defined. When wisely used, these make communication a core competence for the company. As the soft information resources are added, that is the intellectual capital, KS, and willingness to learn, a knowledge sharing culture is developed, which feeds business success. This model is empirically discussed through a case study of fifteen Finnish insurance companies. The overall KS capability of a company corresponds positively to the different dimensions applied in the model. KS is an interactive process where organizations must work on both hard information resources, the basic cornerstones of any knowledge sharing, and makes constant investment into soft information resources, learning, intellectual capital and process design in order to manage their information resources effectively.

INTRODUCTION

In the global world with rich information flows coming from many different sources and channels, an organization's ability to manage knowledge effectively becomes a prerequisite for success and innovativeness. This is especially important in information and technology intensive industries.

In these circumstances a greater awareness and a more active debate is needed concerning the creation of internal environments and the organizational ability to support collective knowledge production and knowledge sharing. These information literacy skills are increasingly underlined in different organizational contexts (Abell 2000). An information literate organization has the ability to seek information, but also to understand, evaluate, integrate it into the existing knowledge base, and critically use it (Doyle 1995). However this is not easily done.

In this chapter we will try to illuminate the problematic issues surrounding knowledge sharing in information and communication intensive organizations, based on a study of information cultures in Finnish insurance businesses:

- *How is the internal environment built to support information and knowledge sharing in information intensive companies?*
- *How can information resources in organizations be turned into a knowledge-sharing information culture, which further can feed business success?*

The chapter develops an understanding of the internal structures important to sharing. These structures are important in any organisation and particularly in information-intensive branches. The assumption is that a company with a rich and active information culture and with the different parts of the learning organization integrated also indicates a successful business.

To begin with, some central concepts are defined such as knowledge, knowledge sharing, information culture, and human and intellectual capital. Further, the context of the study is described, that is the insurance business industry. This type of industry represents information intensive organizations. Next, the management of information resources is described from a resource-based approach point of view in order to find out how a company builds a successful knowledge-sharing environment. Based on that a four-step knowledge-sharing model is presented, and a number of case companies are analysed and mirrored into the model. As a part of the analysis the business success is also compared to the existing information cultures within the case companies to see if there is an indication that an emphasis on knowledge work really is worthwhile. Finally, the empirical insights are discussed to see how they support the suggested knowledge-sharing model.

CENTRAL CONCEPTS

In the research question it is asked how the internal environment is built to support knowledge sharing. In order to answer this question it is important to define what knowledge sharing is. Also the internal environment of an organization may include many aspects and perspectives. In the following these concepts are defined and discussed.

Knowledge and Knowledge Sharing

Knowledge is often defined as internalized information (Ingwersen 1992) and understood as blend of explicit and tacit elements (Polanyi 1958; Nonaka 1994). This means that there are many types of knowledge at different levels of the firm. Knowledge lies in human minds and exists only if there is a human mind to do the knowing. This means that knowledge management is about managing the knowledge that the individuals have. Organisational knowledge management means supporting people so that they can use what they know. Furthermore, information and knowledge for the organization is highly specific and every organization must define information and knowledge in the light of their activities and goals (Orna 2004 119).

Knowledge sharing happens in a constant mix of organizational and individual motives, and factors like purpose, timing, and availability