

THE INFLUENTIAL FACTORS OF KNOWLEDGE SHARING AND KNOWLEDGE TRANSFER FOR EXPATRIATES

Li-Yueh Lee, Department of Business Administration, Kun Shan University, No.19 Kun-Da Road, Yong-Kang District, Taiwan. Email: wuleliyu@gmail.com

Phuoc Thien Nguyen, Department of Business Administration, Nanhua University, No. 55, Sec.1, Nanhua Road, Dalin Township, Chiayi, Taiwan. Email: nhuanduc08@gmail.com

ABSTRACT

This study tries to identify the antecedents, consequences, and moderators of knowledge sharing. Using a questionnaire survey approach, data were obtained from 234 expatriates from Taiwanese multinational enterprises. The empirically results indicate that opportunity and ability have significant impact on expatriates' knowledge sharing and knowledge transfer. Trust, commitment, and social capital have also significant influences on expatriate's collecting and donating knowledge. The level of tacitness, specificity and complexity of knowledge have negatively impact on knowledge sharing and knowledge transfer. Knowledge collecting can positively promote the outcome of knowledge sharing, including learning and growth, internal process, customer satisfaction, and financial performance.

Keywords: *Knowledge sharing, motivation-opportunity-ability, trust, social capital, organizational support, richness of transmission channel.*

RESEARCH BACKGROUND AND REAERCH OBJECTIVES

Knowledge management as the tool to achieve competitive advantages refers to the process of collecting and identifying valuable information (knowledge acquisition), organizing the knowledge (organizing knowledge), exploiting and applying knowledge (knowledge leverage), share it to the whole organization (knowledge sharing), and finally storing it in repository (knowledge memory) (Trivellas et al., 2015). Among several activities in the knowledge management, knowledge sharing becomes the most crucial issue, yet the most difficult activity especially for the organization that needs to share a lot of tacit knowledge (Trivellas, 2015). Knowledge sharing is "a social interaction culture, involving the exchange of employee knowledge, experience, and skills through the whole department or organization" (Lin, 2007, p. 136). In the context of multinational operations, the interaction across culture will be higher for multinational companies (MNCs) than local company because it consists of multiple countries as the subsidiaries. Furthermore, exchange the knowledge means both parties are willing to learn and assist the knowledge in order to develop new capabilities (Bock & Kim, 2002), one will give the knowledge and the other will receive it. These individuals will mutually exchange their knowledge and further together create new knowledge.

According to Gupta and Govindarajan (2000), there are five factor that facilitate or inhibit knowledge transmission: the value of source unit's knowledge stock, motivational disposition of the source unit, existence and richness of transmission, motivational disposition of the target unit, and the absorptive capacity of the target unit. Cummings (2003) explained that there are five

primary context affecting knowledge sharing, including recipient context, relational context, knowledge context, environmental context, and source context. Thus, this study adopts source and recipient context, relational context, knowledge context, organizational support, and richness of transmission channels as factors that have high influence on knowledge sharing. In this study, the authors propose that source and recipient context consists of motivation, opportunity, and ability (MOA). Relational context consists of trust, commitment, and social capital. Knowledge context consists of knowledge characteristics

Although previous studies have identified the importance of knowledge sharing and knowledge transfer especially in multinational setting, very rare studies have focused on the role of expatriates to transfer knowledge from the headquarter to the subsidiaries. This study integrated the results of previous studies and proposes MOA (motivation, opportunity, and ability) framework as the antecedents of knowledge sharing (MacInnis et al., 1991; Olander & Thøgersen, 1995). It is believed that the benefits and rewards (such as salary, bonus, promotions, etc.) will increase the motivation of expatriates to share transfer knowledge. It is also believed that opportunities (such as time, work environment, transfer channels, etc.) will also helpful to transfer knowledge. Ability of expatriates to transfer knowledge is even more important. If the competence of expatriates is weak and even motivation and opportunity will not help to share and transfer knowledge.

In addition, this study also proposes three relational variables, including trust, commitment, and social capital as the antecedent of knowledge sharing and transfer. Trust and commitment are always regarded as essential issue because it creates a cooperative environment for knowledge exchange (Toh & Shrinias, 2012). Expatriates who trust to subsidiary members will share and transfer more knowledge. Expatriate who commit will also improve knowledge sharing (Casimir et al., 2013). Expatriate having higher social capital will provide rooms to share the ability to understand, interpret, and assess the knowledge with each other (Kim et al., 2013).

Based on the above discussions, the objectives of this study are described as follows:

1. To examine the influence of source and recipient context (motivation, opportunity, ability), relational context (trust, commitment, social capital), and knowledge context (tacitness, specificity, and dynamism) on knowledge sharing (including knowledge collecting and knowledge donating) of expatriates in the multinational setting.
2. To identify the direct impact of knowledge sharing of expatriates on balance scorecard outcomes including learning and growth, internal process, customer satisfaction, and financial performance.

LITERATURE REVIEW

According to van den Hoff and de Ridder (2004), knowledge sharing is divided into knowledge donating and knowledge collecting. As explained by Ardichvili et al. (2003), knowledge sharing requires both sides which are ready to provide the knowledge and to request the knowledge. In other words, individuals with knowledge donating tend to provide the knowledge, whereas individuals with knowledge collecting tend to request the knowledge. However, most of the previous studies did not treat these two types of knowledge separately. Many studies used one single variable so-called 'knowledge sharing' to describe different type of knowledge (Radaelli et al., 2014; Hsu et al., 2014; Wang & Hou, 2015). It may create incomplete or conflict conclusion

because knowledge collecting and knowledge donating are influenced by different factors (Susanty & Wood, 2011). For example, individuals with internal motivation tend to be more knowledge donating than knowledge collecting. On the other hand, individuals who have external motivation will be more knowledge collecting because they think more about the reward that they will get if they have more knowledge.

For the antecedents of knowledge sharing, different studies tend to choose variables from different perspectives. For source and recipient context, this study adopts motivation-opportunity-ability (MOA) framework. Wang and Hou (2015) argued that there are two types of motivation to perform certain behavior, which are external (controlled motivation) and internal motivation (autonomous motivation). According to self-determination theory (Deci & Ryan, 1985), both of them are important and have important impact on particular behavior. It is suggested that internal and external motivation also have different influence on knowledge sharing (Wang & Hou, 2015; Susanty & Wood, 2011). Previous studies have discussed the influence of those motivations on knowledge sharing (Hau et al, 2013; Wang & Hou, 2015; Pee & Lee, 2015), however, none of them have considered about the ability and opportunity of employees to share their knowledge. Meanwhile, according to Sheng and Hartanto (2015), there are two conditions that must be fulfilled to create effective exchange and combination of knowledge which are motivation and opportunity. Opportunity to share is the combination of direct and indirect uncontrollable factors around employees and environment that can inhibit or support them to share their knowledge with others (Siemsen et al., 2008). Employees who have motivation may not be able to share their knowledge if they do not have opportunity to do so, such as time or something else. Therefore, opportunity is important to be examined for both knowledge collecting and knowledge donating.

Furthermore, individuals with high motivation and have a chance to share their knowledge, also need to have ability because knowledge sharing presents a difficult task, specifically for tacit knowledge (Radaelli et al., 2014). In term of expatriates, the ability that they need to have is not only about how to understand the knowledge, but also how to absorb it and deal with different cultures between headquarter and subsidiaries in order to do effective knowledge sharing. Thus, this study integrates absorptive capacity, cultural intelligence, and self-efficacy as the main ability that expatriates need to have. Absorptive capacity is very important for knowledge sharing because expatriates need to absorb the knowledge from headquarters and communicate it to the employees in the subsidiaries (Chang & Smale, 2013; Wang et al., 2014). Besides, since expatriates interact with people across cultures, cultural intelligence is needed. Meanwhile, very few studies have examined the importance of cultural intelligence on knowledge sharing. Furthermore, self-efficacy can also enhance knowledge sharing because it is related to the self-directed, flexibility, and interpersonal nature of the behavior such as knowledge sharing (Cabrera et al., 2006). When individuals believe that they have ability to collect and donate the knowledge, knowledge sharing will be accomplished.

As a summary from the above discussion, in the work performance theory (Cummings & Schwab, 1973), individuals need to apply all of motivation, opportunity, and ability complementary in order to influence their behavior because if they do not use them all, it will not lead to a successful knowledge sharing behavior (Siemsen et al., 2008). Therefore, in order to fill the gaps, this study uses MOA framework to investigate motivation, opportunity, and ability of employees to share their knowledge through both knowledge collecting and knowledge donating, while keep differentiate the two types of motivation (internal and external).

For the relational context of knowledge sharing, this study proposes trust, commitment, and social capital as the major factors that can enhance knowledge sharing. Hashim and Tan (2015) argued that without understanding among each other employees, knowledge cannot be shared. Thus, to make sure that relational exchange works well, trust and commitment are needed because strong relationship which is produced by trust and commitment will stimulate knowledge sharing exchange among members in the organization (Morgan & Hunt, 1994; Uzunoglu & Kip, 2014; Hashim & Tan, 2015). Commitment-trust theory (CTT) as proposed by Morgan and Hunt (1994) explained that trust and commitment are important for relational exchange by creating a cooperative environment in the relationship, reducing opportunistic behavior, and managing potentially high risk in a wise way. Furthermore, trust and commitment are also very curial for relational exchange because it requires for both parties to acquire and share their knowledge. However, most of the previous studies discussed the influence of commitment and trust on knowledge sharing individually, only commitment or only trust. This may create incomplete understanding since commitment and trust are related to each other. As explained in the CTT, individuals who have trust will influence their commitment directly because when they trust to each other, they will commit to maintain their relationship in the organization. Hashim and Tan (2015) further explained that when individuals have high commitment, they tend to attach and involve themselves in organizational activities such as the knowledge collecting and knowledge donating. Based on that, this study tries to examine the direct impact of commitment and trust on knowledge sharing for both knowledge collecting and knowledge donating in the expatriation.

Furthermore, social capital has been proved to have an integrated capability to develop economics and collective benefits for both individuals and groups (Kim et al., 2013). Examining the influence of expatriate social capital on knowledge sharing in collecting and donating is important. In terms of knowledge sharing from expatriates, social capital relates to the interpersonal relationship among organizational members (Kim & Lee, 2010), including employees in headquarter and/or host employees in subsidiaries. While rare of previous studies integrated these major factors of relational context in the knowledge sharing activity, this study tries to examine it.

Even though there are many factors that can improve knowledge sharing, some characteristics of knowledge that can inhibit it, for example knowledge that is tacit, specific, and complex will create difficulties for employees to share their knowledge. When the knowledge is tacit, individuals will be difficult to collect and donate knowledge which indicates that knowledge sharing will not work well. Specifically, for MNCs, expatriates who have high tech knowledge to be transferred from headquarter to subsidiaries, knowledge tacitness must be high. Similarly, when the knowledge is specific and complex, sharing of knowledge requires a high skilled expatriate and skilled local employees to receive the knowledge, whereas organizations may only have few skilled employees (Sabherwal & Becerra-Fernandez, 2005). Thus, understanding the characteristics of knowledge is very important for organization to keep effective knowledge sharing.

According to Lin (2015), firms need to make sure the successful of knowledge sharing activity by measuring the performance of its knowledge sharing which can be divided into three categories: financial (tangible) performance, innovation (intangible) performance, and balance scorecard approach. By extending the concept of Balance Score Card (BSC) (Arora, 2002), this study tries to investigate the consequences of knowledge sharing. BSC is considered as the measurement for knowledge sharing consequences because it has various perspective levels which can explain the overall benefits of knowledge sharing. It is important since most of the previous studies only discussed the consequences of knowledge sharing partially for some aspects. In more detail, there

are four perspectives of BSC that will be discussed in this study, including learning and growth, internal process, customer satisfaction, and financial performance (Kaplan & Norton, 1996). When employees can do knowledge sharing well, they will be able to exchange their ideas which further generates collective learning and motivates them to be more innovative. Besides, employees with effective knowledge sharing and develop learning organization enable them to make fewer mistakes. It indicates that employees will do the internal process well. When employees can do their task well, they will also be able to improve product and service for customers which further increase customer satisfaction. Finally, when customers feel satisfy, they will be loyal to the firm which further increase financial performance of the firm.

RESEARCH DESIGN AND METHODOLOGY

Research Framework

The main purpose of this study is to identify the antecedents, moderators, and consequences of knowledge sharing. A conceptual framework of this study is presented in Figure 1.

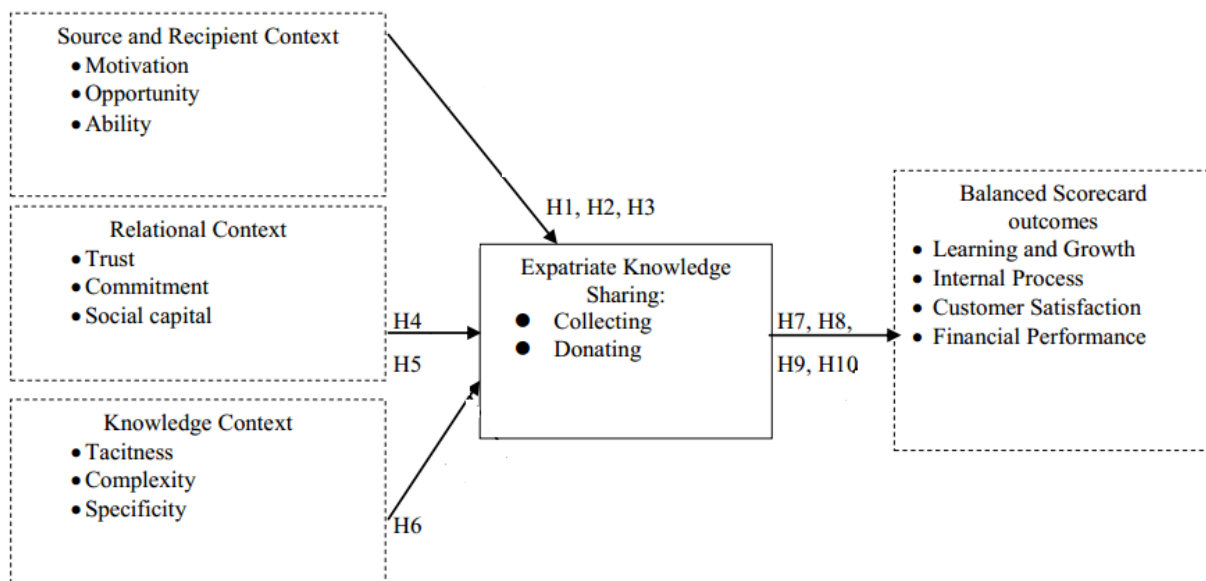


Figure 1. Proposal Model

Participants and Sample Plan

Online and offline questionnaire were used to acquire samples from expatriates in Taiwan. Six hundred expatriates were invited to participate in this survey. The email address of each expatriate were obtained from the Human Resources Department of Taiwanese Multinational firms. The survey material includes a cover letter from the researcher with university-addressed. Expatriate were asked to express their opinions about questionnaire items for all of research constructs. Eventually, 234 valid answers were acquired, producing a responses rate of 39%.

RESULTS AND DISCUSSIONS

Descriptive Analysis

The characteristics of respondents were gathered. For the 234 valid respondents, 104 were male (44.4%), and most of the respondents were aged between 36 and 45 years old (63.2%). More than 60% of the respondents had an educational background with a bachelor or above. In term of working experience, most of the respondents have been worked for less than 5 years and worked in abroad for less than 3 years. For annual income, most of the respondents claimed to receive from NT\$ 500,000 (68.4%).

Hypothesis Testing

The structural model with its research hypotheses was tested using the parameter estimates of the path between research constructs. Using a sample of 234, a non-parametric boot-strapping procedure was performed with 2500 sub-samples to obtain the statistical significance of each path coefficient for hypotheses testing. The goodness-of-fit (GoF) index is used to measure the overall fitness between the data and the model. Following Vinzi et al. (2010), GoF greater than 0.36 is considered to be large, 0.25 is described as medium, while 0.10 is described as small. The GoF values of this structural model are 0.720 which is considered to be large. This result confirmed that the structural model is appropriate with high predictive power.

The empirical results show that opportunity has positive influence on knowledge sharing collecting ($\beta=0.183$, $t=2.741$) and donating ($\beta=0.257$, $t=4.236$). It indicates that hypotheses 2a and 2b are supported. The results show that opportunity gives greater influence on knowledge sharing donating compare with knowledge collecting. It may suggest that expatriates who have opportunity to share their knowledge will be easier to donate their knowledge than collect it. Similarly, the results show that ability also has positive influence knowledge sharing collecting ($\beta=0.367$, $t=4.605$) and donating ($\beta=0.495$, $t=7.289$). Thus, hypotheses 3a and 3a are supported. However, the influences of motivation on knowledge sharing for both collecting and donating have found to be insignificant. Thus, hypotheses 1a and 1b are not supported.

The empirical results show that trust has positive influence on knowledge sharing collecting ($\beta=0.310$, $t=3.199$) and donating ($\beta=0.362$, $t=4.311$). It indicates that hypotheses 4aa and 4ab are supported. Both of them have almost similar levels of influences which indicate that trust is important to enhance knowledge sharing for both collecting and donating. Furthermore, the results show that commitment also has positive influence knowledge sharing collecting ($\beta=0.159$, $t=2.353$) and donating ($\beta=0.149$, $t=2.595$). Thus, hypotheses 4ba and 4bb are supported. Those results are in line with the previous study by The results are in line with Toh and Shrinivas (2012) and Casimir et al. (2012) who explained that trust and commitment lead to better knowledge sharing. Moreover, for the influences of social capital, the results show that social capital has positive influence on knowledge sharing collecting ($\beta=0.240$, $t=2.210$) and donating ($\beta=0.218$, $t=2.363$).

The results show that knowledge characteristics have negative influence on both knowledge sharing collecting ($\beta=-0.704$, $t=16.560$) and donating ($\beta=-0.746$, $t=20.132$). The results which are slightly similar suggest that knowledge characteristics will inhibit both knowledge sharing collecting and donating. Thus, hypothesis 6a and 6b are supported.

The empirical results show that knowledge sharing collecting ($\beta=0.174$, $t=2.016$) and donating ($\beta=0.191$, $t=2.264$) have positive influence on learning and growth. It indicates that hypotheses 7a and 7b are supported. Both of them have almost similar levels of influences which indicate that knowledge sharing is important to enhance learning and growth. Besides, knowledge sharing collecting also has positive influence on internal process ($\beta=0.403$, $t=4.397$). However, insignificant result has found for the influence of knowledge sharing donating on internal process. Thus, hypothesis 8 is partially supported. Furthermore, for the influence of knowledge sharing on customer satisfaction, the results show that knowledge sharing collecting has positive influence on customer satisfaction ($\beta=0.316$, $t=3.108$), while the influence of knowledge sharing donating is insignificant. Thus, hypothesis 9 is partially supported. Finally, for the influence of knowledge sharing on financial performance, the results show that knowledge sharing collecting has positive influence on financial performance ($\beta=0.367$, $t=4.362$), while the influence of knowledge sharing donating is insignificant. It indicates that hypothesis 10 is also partially supported.

CONCLUSION AND SUGGESTION

The purposes of this study is to identify the antecedents, consequences, and moderators of knowledge sharing, with special focus on knowledge transfer from headquarter to the subsidiaries by expatriates. This study integrated MOA framework, trust-commitment theory, social capital theory, knowledge stickiness theory to investigate influence of antecedents on knowledge sharing. These antecedents include motivation, opportunity, ability, trust, commitment, social capital, knowledge tacitness, knowledge specificity, and knowledge complexity.

This study also adopted contingency theory to identify two of the moderators (organizational support and richness of transmission channels), which may serve as catalysts to amplify or accelerate the influences of the above antecedents on knowledge sharing, and the influences of knowledge sharing on the components of balanced scorecard, including learning and growth, internal process improving, customer satisfaction, and financial performance.

Several conclusions could be drawn from the results of this study. First, the effectiveness of knowledge transfers from the headquarter to the subsidiaries has been one of the most crucial issues for the success of the operations of the subsidiaries. The opportunities to share the knowledge and the ability to share the knowledge from the headquarter to the subsidiaries and from the expatriates to the subsidiaries employees can all promote knowledge sharing. These results imply that firms should try to facilitate knowledge transfer. Firm should also provide training to promote the ability of expatriates to be capable to do knowledge transfer. In this study, expatriate's motivation does not show a significant influence on knowledge sharing.

Second, in addition to professional knowledge, expatriate's communication skills should be as important. The study results have indicated that expatriate's trust, commitment, and social capital all have significant influences on knowledge sharing. Since knowledge is constructed in the social context, social capital become the key mechanism to perform knowledge sharing (Kim et al., 2013). Therefore, trust, commitment, and social capital has become three major factors to facilitate knowledge sharing. Third, the transfer of knowledge should also consider the characteristics of knowledge. Knowledge which has high level of tacitness, ambiguity, unprovenness, complexity and

specificity can result in difficulties in knowledge sharing (Szulanski; 1996; Sabherwal & Becerra-Fernandez, 2005).

According to Lin (2015) knowledge sharing facilitate expatriates to do more innovative activities, which further enhance learning and growth in the organization. Through knowledge sharing, expatriate can learn and improve internal process by gathering more information about how to improve the production or service process, which further target on how to satisfy customer needs and preferences. Due to the above, financial performance of the firm or the department should be higher.

REFERENCES

(References available upon request to the first author)