CULTURE OF KNOWLEDGE SHARING IN TERMS OF COMPETITIVE INTELLIGENCE IN ORGANISATIONS

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Abstract. This paper presents the role of culture of knowledge sharing to implement competitive intelligence (CI). One of the competitive advantages in business is culture of knowledge management within organisation. Due to increasing role of information in business management, institutional managers’ awareness increases regarding the need to have a good knowledge of competition in business environment and to arrange internal processes of organisation to be able to respond efficiently to the changes caused by the external environment. To enable knowledge sharing within the company, a special role is paid by the existing organisational culture, since certain organisational cultures promote more open information movement among members. Researchers increasingly emphasize the positive role of knowledge sharing and the advantages to be gained from it by private individuals and organisations. To make organisations successful, specific attention is required for provision of information interaction.

The object of the research is to evaluate knowledge sharing techniques and their importance to implement competitive intelligence in Latvian enterprises based on the analyses of scientific literature and the results of the survey data. The result of the research of management of competitive intelligence in Latvia pointed out the necessity to improve the communication system of enterprises. Trust was found the essential element allowing for interaction within relationships and social exchanges. Further, there were significant correlations between both organisational culture and CI. The significant findings of the study can be related to Latvian enterprises.

Key words: knowledge sharing, competitive intelligence, organisational culture

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Introduction

In the economic context of the 21st century, rapid development of information takes place and knowledge becomes a precious resource for organisations. The fact that economies become more knowledge intensive makes it evident to most companies that knowledge is a precious resource (Howell K. E., Annansingh F., 2013).

One of the most significant aspects ensuring investigation of innovations incl. competition, is organisation's receptiveness of changes and enabling the flow of information, so that the
required information were any time available to each employee. Changes in organisations are necessary due to the rate and scope of changes in external environment. Development of companies is more and more related with accumulation of knowledge, with implementation of innovations and changes determined by accelerated technological, social, economic, and political processes. Culture management as a stabilizing factor of social systems in the climate of ongoing changes, on its part, is a very complicated task.

**Problem statement**

Research undertaken earlier revealed that one of the competitive advantages in business is culture of knowledge management within organisation (Nevis E.C., et al., 1995; Davenport T.H. and Prusak L., 1998; Drucker P.F., 2000; Chow et al., 2000). Researchers discovered that efficient knowledge sharing in company is crucial to develop a basic expertise of employees and is important to gain a competitive advantage. The research revealed that the unwillingness of knowledge sharing might cause some damage to organisational survival (Lin C.P., 2007).

Mutual knowledge sharing is a key to business information management (Alavi M., Leidner D.E., 2001). Information exchange within organisation is recognised as a positive factor of organisational survival. Reasons stimulating or hindering knowledge sharing within organisation, however, are comparatively difficult to realize and complicated to manage. Identification of motivating facts, which determines employees mutual exchange of information, is a matter of high priority (Davenport T.H., Prusak L., 1999). When evaluating knowledge sharing as an organisational value, top managers should carefully assess the existing culture of social interaction in the company. Up to now, few empirical studies have been performed regarding the factors contributing to knowledge interaction within organisation.

**Literature review**

Knowledge can be considered from several aspects. For example, it can be seen as a state of mind, an object or a condition for access to information (Alavi M., Leidner D.E., 2001; Wasko M.M., Faraj S., 2005). Knowledge can be also considered as the individual's state of mind, which is adapted to organisation's requirements (Wasko M.M., Faraj S., 2000). Knowledge can be stored, acquired and manipulated with.

While early research highlighted organisation-level knowledge embedded in routines, recent research increasingly stresses the role of individual-level knowledge and the importance of knowledge sharing and transfer between team and organisation (Friesl M., Sackmann S.A., Kremser S., 2011).

In recent years, theorists and practitioners set out to answer the following questions: what determines knowledge sharing, what the initial conditions should be for knowledge sharing to be implemented (Kane A.A., et al., 2005), what the role of knowledge sharing in creation of innovations is (Tortoriello M., Krackhardt D., 2010) and how it affects changes in the
organisation (Mohrmann S.A., et al., 2003). Several studies have been performed witnessing that knowledge sharing within organisation is facilitated by confidence and openness (Sackmann S.A., Friesl M., 2007).

Confidence as an advantage of communication turnover was also highlighted by Latvian respondents in the survey for the role of organisational culture in the implementation process of technology (Cekuls A., 2014). In order to trust, people need to rely on assumptions that the other person will behave or react in a certain predictable way (Mayer R.C., et al., 1995).

Some researchers consider knowledge sharing, knowledge flow and knowledge transfer as a variable criterion and also define it this way. For example, Alavi M. and Leidner D.E. (2001) regard knowledge sharing as equal to knowledge transfer and define it as a process of spreading information across the organisation. Spreading can take place among individuals, groups or organisations, applying any type or amount of communication channels. Davenport T.H. and Prusak L. define knowledge sharing as a process comprising information exchange between an individual and a group.

**Aspects influencing habits of information exchange**

Several studies show that people get involved into information exchange expecting their demand for definitive information will also be met in future (e.g. Wasko M.M., Faraj S., 2005; Kankanballi A., et al. 2005) Staff of the organisation is also motivated through exchange of experience with well informed persons within organisation (Brown J., Duguid P., 1998).

Summarising the studies, several factors have been observed, which are likely to affect an individual's performance in the information circulation process. It is observed that knowledge sharing in an organisation is facilitated both by information processing system (tools) and technologies (Alavi M., Leidner D.E., 2001; Haldin-Herrgard, 2000; Hlupic et al., 2002), and by such factors as organisational motivation and incentive system (Bock et al., 2005; Ardichvili et al., 2003), national culture (Chow et al., 2000) and organisational resources providing information, e.g. over time and space (Davenport T.H., Prusak L., 1998; Haldin-Herrgard, 2000).

Researchers increasingly emphasize the positive role of knowledge sharing and the advantages to be gained from it by private individuals and organisations (Jonsson A., Kalling T., 2007; Yi J., 2009). To make organisations successful, specific attention is required for provision of information interaction (Davenport T.H., Prusak L., 1998).

Knowledge sharing occurs when organisational members share organisationally relevant information, suggestions, ideas and expertise with one another. While it is recognized that certain advantages are also obtained due to knowledge sharing, people are unwilling of sharing. Various reasons hindering knowledge circulation are mentioned, among them organisational culture is consistently identified by scientists as one of the key reasons (Al-Alawi M., et al., 2007; Davenport T.H., Prusak L., 1998; McDermott R., O’Dell C., 2001).
Luu (2013) believes that knowledge exchange within organisation is affected by three key factors: emotional intelligence, corporate ethics and organisational culture. Emotional intelligence is a factor of the environment promoting socialisation of employees within the framework of organisational culture, which ensures successful interaction and integration of employees. Emotional intelligence has been reported to indicate the positive link with knowledge sharing (Endres et al., 2007; Rivera-Vazquez et al., 2009).

Several studies show that knowledge sharing within organisation is promoted by organisational culture and personal values (e.g. Janz B., Prasarnphanich P., 2003; Lee H., Choi B., 2003).

**Organisational culture and knowledge exchange**

Studies conducted to date agree that organisational culture is one of the key determinants among the countless factors contributing to or hindering knowledge exchange (Abzari M., Teimouri H., 2008; Al-Alawi et al, 2007; Chin-Loy C., Mujtaba B.G., 2007; McDermott R., O'Dell C., 2001; Stankosky M., 2005).

However, there is comparatively little research regarding impact of organisational culture to knowledge exchange (Sackmann S.A., and Friesl M., 2007).

Some managers acknowledge organisational culture to be the most relevant obstacle in creating and attracting knowledge assets (De Long D.W., Fahey L., 2000). Milne's P. (2007) position is that employees in general are motivated for accumulating and not for sharing knowledge in order to maintain their competitive advantages.

From the aspect of information turnover, organisational culture reflects the way of spreading knowledge or differences across the organisation as well as the values preventing the organisation from ageing. Organisational culture plays an important role in the company knowledge management (Zheng S., Zhong J., 2011). Corporate culture should encourage growth of staff's professional intellect as well as growth of the whole organisation in general.

To enable knowledge exchange within the company, a special role is paid by the existing organisational culture, since certain organisational cultures promote more open information movement among members (Hofstede G., Hofstede G.J., 2005). Correctly selected organisational culture will support the knowledge sharing experience among organisational members.

Trust in management has been found to magnify knowledge sharing through decreasing fear of losing one’s value and increasing the member’s motivation to document knowledge simultaneously (Renzl B., 2008).

Schein E.H. (2004) writes that culture can be abstract but its behavioural and relational consequences are definite. Expediency of culture can only be identified when it is observable.

Awareness and diagnosis of culture, particularly organisational culture, has historically been debatable. The close conjunction of the company's organisational activity with a particular organisational culture is the issue dealt with many scientists and practitioners (De
Long D.W., Fahey L., 2000; McDermott R., O'Dell C., 2001; Schein E.H., 2004). In many organisations, organisational behaviour is determined rather by organisational culture than by directives of top management and implementation of strategy, since they are in contradiction to organisational culture (Jarnagin C., Slocum J.W., 2007). Cameron K.S. and Quinn R.E. argue that taken-for-granted values, underlying assumptions, expectations and definitions already in existence contributed to the reason for ignoring organisational culture as an important factor.

Constant accumulation of experience and transformation of experience into knowledge required for progress of the whole organisation and for attainment of its goals is necessary for successful process of competitive intelligence (Cekuls A., 2014).

**Knowledge exchange nature in Latvia**

To assess the role of organisational culture for the technology implementation process in Latvia, Cameron and Quinn stress the importance of self-evident values or assumptions existing at the company. Among various theories and models, the structural framework by Cameron K.S. and Quinn R. or Organisational Culture Assessment Instrument is widely used for studies of organisational culture (Suppiah V., Sandhu M.S., 2011).

It is significant that results of studies showed a high closely positive correlation (0.866) between the stages of organisational culture and structure. The way of further arrangement of information turnover is highly dependent on the organisation’s internal environment information turnover structure determined by the existing organisational culture.

When establishing procedures of the information turnover process, the goal of communication should be estimated – to involve, to find out the opinion, to gain responsiveness or to enlighten on the information required for the organisation. Data from research in Latvia show that companies spend 35% of time for data collection and only 12% – for exchange of the obtained knowledge. This shows that competitive intelligence process in Latvian companies is inherent of poor informative links and feedback, and indicative of shortcomings in the communication framework and interrelation of companies.

For example, in organisations with hierarchic culture, differing views can emerge within the structure regarding the way information turnover should be formed among people situated at various hierarchy levels; hence, common criteria and values should be established to be used in the management processes of competitive intelligence.

The study of competitive intelligence of business environment in Latvia shows that employees provide their superiors with information on competitive environment on a regular basis. An important number of respondents emphasised that the results of competitive intelligence are only distributed among the authorised persons of the organisation, and this could hamper informational interaction within organisation. For its part, the study about the role of organisational culture partly revealed that power in Latvia's companies are mainly concentrated with one or several leaders who make all major decisions. Unconditional
realisation of the leader's personal directions is required from all the rest organisational members, and their abidance and conformity to management are appreciated more than their professional competence. It indicates that information turnover in Latvian companies is mostly one-way. This evidence could also witness about the hierarchic system of information transfer or about shortcomings in the knowledge movement processes in general.

Introducing changes into organisational structure, values of organisational culture should be assessed. It is intercommunication problems that are considered to be communication defects of a certain culture.

Although respondents in Latvia admit that information from people obtained within the organisational framework serve for competitive intelligence, a comparatively low evaluation in the study has been given to the statement that the existing organisational culture encourages sharing of information. The study about the role of organisational culture in providing the competitive intelligence processes through emphasising intercommunication problems in Latvian companies, revealed the assumption that many problems of "communication failures" or "insufficient cooperation level" caused by shortcomings in the system of values of the company's organisational culture (Cekuls A., 2014). Almost half of respondents think that organisation should ensure an environment, in which mutual trust between individual and organisation exist that would promote formation of knowledge exchange behaviour. Upon recruitment, not only the candidates' professional competence but also their readiness to cooperate and take notice of others should be taken into account. Most of respondents agree that organisational culture ensure building up of knowledge sharing behaviour, causing confidence among colleagues.

Examining the role of organisation in building up knowledge sharing behaviour, the author believes: in order to promote knowledge sharing behaviour within organisation, transformation of organisational culture should be performed emphasising implementation of values of supporting culture in the organisation. Organisational culture, which is uniform across the organisation with elements of supporting culture, fosters successful management of competitive intelligence.

Through engagement into the cultural transformation process of the whole system, the steering group is enabled to create precisely the culture required for providing efficient competitive intelligence management in the organisation. Besides, the study about the role of organisational culture shows that 85% of respondents think that organisational culture can facilitate successful process of competitive intelligence within the company.

If innovations comply with main norms and values of organisational culture, if the changes themselves become a cultural value of the company, then culture plays a positive role in development of the organisation. Culture builds confidence among colleagues within organisation – one of the keystones of competitive intelligence process in the organisation.
By ignoring culture in the competitive intelligence implementation process, it can hinder or completely stop efficient implementation of competitive intelligence process in the organisation.

Conclusions

1. Knowledge exchange behaviour is closely related to people within organisation: employees, managers and top level staff. Before starting cultural transformation, it is important for the senior management to be aware of the reasons why this transformation is necessary; employees of the company, for their part, should realize why the system transformation process was started within organisation.

2. In organisations with positive structure of social interaction, mutual information exchange between management and employees will be more frequent and have just a minor emphasis upon the hierarchic status within organisation.

3. The social interaction between management and employees plays an important role for knowledge exchange process within organisation.

4. The success of positive social interaction culture is information exchange with the employees who are more competent than their colleagues in some particular area of organisational knowledge, and who are ready to share their expertise.

5. In some organisations, knowledge spreads asymmetrically and may never reach certain members. Knowledge exchange is a way how to improve and ensure access to knowledge.

6. In order to create such organisational culture, which would foster successful process of competitive intelligence, the author would suggest promotion of the elements of supporting culture characterised by mutual trust between the organisation and its members. The list of organisation's key values includes cooperation, helpfulness and availability for team work.

7. Culture of each company determines how the knowledge sharing will function within the organisation and what will the company's common criteria be for achievement of goals.

Bibliography


