#### DISINCENTIVE FACTORS IN ORGANISATIONAL KNOWLEDGE TRANSFER

# SZONDI Réka<sup>1</sup>, GERGELY Éva<sup>2</sup>

<sup>1</sup>Károly Ihrig Doctoral School of Management and Business, University of Debrecen, Debrecen, Hungary

<sup>2</sup>University of Debrecen, Faculty of Economics and Business, Institute of Management and Organization Sciences, Debrecen, Hungary szondi.reka@econ.unideb.hu gergely.eva@econ.unideb.hu

Abstract: Nowadays, it is a grand notion that organisational knowledge and human resource are significant strategic capital and investment towards the future. Keeping the competitive advantage is the target of all companies; thus, the accumulated knowledge must be created, collected, shared and applied efficiently. By the expansion of companies due to globalisation, new dimensions have opened up for employees. The role of human capital has become more critical; more and more companies spend time and money on improving and training their employees. By the preliminary preparation for the challenges, human resource creates a serious value. Employees gain experience and knowledge, for example, during an international assignment in the adaptation and utilisation of which HR plays a vital role. Due to globalisation, the expansion of companies towards the international level gives more challenge for both the employers and employees. Human resource management narrowly deals with the process of employing, developing and rewarding people in the frame of organizations. The role of human capital progressively gains ground, and more companies spend money and time to develop and train their employees to create value. Employees get experience and knowledge by being on an international assignment also, which means that HR has a huge part in adapting and utilising the added knowledge. Transferring the knowledge gained during work has a positive effect on the total performance of the employees and organisational learning. If the gained knowledge cannot integrate into the organisation later on, then the knowledge capital gets lost and will not be available for later generations. Managing organisational knowledge is thus a complex and hard task. In addition, to highlight the efficiency of knowledge transfer, the main research objective was to examine the disincentive factors. In the research, we examined the opinion of employees of various companies (from different sectors) using a questionnaire, which was analysed by statistical methods. Obstacles related to knowledge sharing have appeared in some form in all companies, and also the lack of managerial support appeared in the questionnaire. The transmission of acquired knowledge has a positive effect on the employees overall performance and organisational learning, therefore, it needs to be tackled.

**Keywords:** knowledge transfer; organisational knowledge; disincentive factors; knowledge management; human resource management; managerial support.

JEL Classification: J24; J53; O15.

# 1. Theoretical fundamentals in knowledge management

According to Stiglitz (1999), knowledge and intellectual capital can be extended infinitely, and they are inexhaustible. We must be ready for the continuously emerging changes, the technological development and the appearance of competitors on the market since only that company can survive in the long term and be successful. Which consistently creates new knowledge and makes it widely available within the organisation and utilises it during the development of new services, technologies and products. Drucker (1969) uses the term "knowledge society" in the book "The Age of Discontinuity" which refers to the central role of knowledge which is the base of economic and social actions.

In the first generation technology played the central role. Knowledge appeared as an information source and products which can be recycled (documents, databases, etc.) (Nonaka-Takeuchi, 1995). This generation was present simultaneously with the appearance of web-based search systems and Intranet on the company level. The connection between the expansion of IT toolbar and the development of knowledge management became unquestionable. We can put into the second category the differentiation between the explicit and tacit knowledge. A new way of thinking spread during the second generation in which the real knowledge of the organisation was identified with its human resources (Anklam, 2005). Data sets which can be recorded, collected, edited, easily-passed on, learned, objective and rational and be expressed by words and numbers, too could rank among the area of explicit knowledge. Tacit knowledge, on the contrary, can be a kind of intellectual idea or a conviction, idea, our personal opinion about something, experience, technical skill mostly subjective-based. It is founded on experience, the ability of action, and it is in close connection with the real owner of the knowledge; thus, its transfer can face difficulties. According to Polányi (1966), a person's knowledge can be compared to an iceberg; its part above the water contains explicit knowledge while the part below the water contains the tacit knowledge. For organisations, it is recommended to rank among its strategic targets the handling of collective organisational knowledge thus the totted knowledge of human resource can become a part of company capital (Davenport - Prusak, 1999). In its study, Abubakar et al. (2017) summarize the possible processes of knowledge on the organisational level. First, he names the creation of knowledge which has to be consistent and efficient. The second step is recording, the adaptation of new content the substitution of the existing ones and the reception of explicit and implicit knowledge. Thirdly, he deals with the knowledge sharing processes, structures of the organisation and the selection and evaluation of knowledge. Then he moves on to talk about storage and the theory of organisational memory. Spreading and availability is the next point in which the creation of communication channels plays an important role. Last but not least, the importance of technology appears, the termination of communicational obstacles, collaborative learning the knowledge search.

The energy invested in knowledge management raises competitiveness since by summarizing and processing knowledge the speed of development can be

accelerated, and it results in adaptation towards customers in order to achieve successes (Adams – Graham, 2017). The main aim of programs creating a knowledge base is to embed the knowledge in documents and put them into bases from where knowledge can be easily retrieved and can make an inventory of it. The owner of the knowledge and its possible user stands in focus. We have to find the interface between the person and the other individual who owns information essential for the former. Thus, the process of knowledge sharing can be established between them.

## 2. The framework of knowledge transfer and its disincentive factors

There can be several factors influencing the effectiveness and process of knowledge transfer. The sender and the recipient both have a significant effect on the steps of the knowledge transfer process, primarily because of their relationship characteristics. The performance of knowledge transfer is created by the aggregated results of the factors (Demeter et al., 2017).

The success of knowledge transfer is highly dependent on the characteristics of the relationship between the two parties (competition or cooperation). The former can diminish the motivation for transferring knowledge or can affect the scale of effort, too (Szulanski, 2000). The key to success, in many cases, the reliability and credibility of the transferring party. It has a more significant effect on the recipient side if the transferring person has functional abilities and shows confidence (Zander – Kogut, 1995). On the other hand, management, the right knowledge and information are also vital if one wants to follow a career route within the organisation, if the individual wants to see his/her future plans and the tasks and activities needed for it (Héder et al., 2018)

Husted and Michailova (2002) have collected several reasons which can be disincentive factors at knowledge transfer:

- The individual protects his/her competitive advantage and emphasizes the maximization of his/her performance
- Regrets to spend time on transferring and is tight-fisted with it
- The individual is afraid of the so-called knowledge parasites who do not share their knowledge but exploit others'
- The owner of the knowledge does not want to be in the centre of attention (e.g. lecture) and is afraid that in public it can turn out if he/she does not know something or does not know well.

Gulyás (2007) names the following ones as the most disincentive factors in connection with knowledge management based on the study made in the professional sphere:

- No time for knowledge sharing
- · Knowledge management supporting culture is missing
- · The lack of knowledge stemming from this
- · The lack of appreciation and motivation of knowledge sharing
- · Difficult to access others' knowledge
- Too much information towards colleagues

- The lack of expertise connected to knowledge management
- · Knowledge is not shared because of power concerns
- The lack of management support
- The lack of mutual trust
- The lack of financial resources supporting knowledge management
- The lack of technology supporting knowledge management

Human resource management practices also play a role in the knowledge transfer of the person making the transfer. There are different factors which can cause problems such as abilities, formulating knowledge differently by language knowledge, the transferring ability of tacit knowledge. The process requires resources thus the dedication and the inclination in different individuals can be different and the harmony between the company and the employee can differ in terms of organisational targets (Minbaeva – Michailova, 2004).

The knowledge processes created between organisations can be influenced, can be tailored for the person by applying the tool of knowledge guidance (Foss, 2007). Knowledge sharing must be examined on different levels (Minbaeva, 2013). The practices drawn up human resource management are specified on the organisation level but truly realised on the groups level. It is followed by the individual's knowledge sharing behaviour. The results are affected by the individual's motivation, the possibilities are given by the organisation and also if the targets are in accord with organisational targets and strategies. To measure the effectiveness of knowledge transfer, we have to measure knowledge itself, too if we want to measure in figures the knowledge strength enrichment of the recipient. Knowledge can be measured along with several factors:

- · Taking the knowledge of organisational members as a basis
- along with the applied practices and routines in which knowledge integrates
- by the changes appear in the performance characteristics (for example punctuality, speed, which shows the scale of acquired knowledge)

as well as with the products, services and clientele of the organisation (Argote -Miron – Spektor, 2011). Knowledge guidance happens on an organisational level, its primary target is to form knowledge processes, but the processes happen through the individuals. By gaining specific knowledge, the organisational knowledge stock grows proportionately, too. The organisational performance is more affected by the knowledge owned by the human resource than the value of the organisation itself (Cohen - Olsen, 2015). Minbaeva and Pedersen (2010) examined three primary knowledge guidance mechanisms which affect the individual's behaviour intention (attitude, subjective norm and the control perceived by it) and thus affect the attitude towards knowledge sharing. The mentioned mechanisms, for example, external incentives (promotion, salary raise), mutuality (appreciating contribution, reputation, professional and personal development) and the communicational tools (informal, formal, forums, meetings, conferences). In their study, they describe that the external awards correlate less with the boost of knowledge transfer their effect is slightly negative. Beyond intrinsic motivation also those knowledge guidance human resource management mechanisms focusing on the individual skills and possibilities

need to be examined to receive a more comprehensive picture on the effect of knowledge guidance projected on knowledge sharing.

#### 3. Material and method

The material of the examination was provided by employees who work at Hungarian companies. During the primary research, we created a questionnaire while in the secondary research, we processed the relevant literature on this topic. The size of companies, and positions within the sector, demographical data of the employees are shown in Table 1. The sample taking has been going on continuously since 2017 with a snowball method. The current element number of the sample is 118. One of the objectives in the research was asking the employees' opinion of as many companies as possible so from each organisation, only 3-5 people included in the sample.

Table 1: Socio-demographic data of the guestioned

Demographic factors	Total sample (n=118) (%)	Demographic factors	Total sample (n=118) (%)	
Genders		Operational size		
Female	53	Small enterprise	47	
Male	47	Medium enterprise	29	
Operational forms		Corporation	24	
Small and medium businesses	46	Sectors		
cPlc.	25	Profit	71	
Local government	14	Public sector	29	
Educational institute	15			

Source: Based on own data collection, own editing 2020.

Based on the identification data (Table 1), we can say that more than half of the people who filled-in the form were women. Based on their operational forms we can make four groups, the highest proportion was that of small and medium enterprises then cPlc-es, educational institutes and the smallest proportion of those who filled in the form come from local governments. It can be a distorting factor that the employees have mixed positions so they can look at the characteristics of knowledge sharing from different perspectives.

The applied method during the research was the form of a questionnaire in order for easier comparison and to reach a more significant sample. The questionnaire used for the research was built on those factors which blocked the knowledge transfer and were formulated in Gulyás's (2017) and Husted – Michailova's (2002) studies. The questionnaire, besides those points construed in the literature, also contained demographic group formulating questions. For the measurement of disincentive factors, a 6-degree Likert scale is used in which 1 stands for "very disincentive", and the meaning of 6 is "not disincentive at all".

The research target that we had drawn before the research was to map the most common disincentives of knowledge sharing. A research question emerged whether the lack of leadership support appears in terms of every organisational unit in the sample.

### 4. Results

The success of knowledge transfer can be affected by several factors. The findings are related to the covered sample based on the employees' evaluation. Considering the proportion of genders, it is interesting that while in the profit sphere the number of men is a little bit above that of women in the public sector the proportion of women is significantly dominant (Table 2.) A further research direction could be raised whether, during knowledge transfer, there is a difference between the genders in terms of information sharing, in terms of effectiveness and attitude. The reliability of the questionnaire is confirmed by the 0.84 indicators of Cronbach Alpha.

Table 2: Gender-related data (n=118)

	Genders				
Operational forms	Female	Male	Total	Proportion Female (%)	Proportion Male (%)
Small and medium businesses	23	31	54	43%	57%
cPlc	13	16	29	45%	55%
Local government	11	5	16	69%	31%
Educational institute	16	3	19	84%	16%
Total	63	55	118	-	-

Source: Based on own data collection, own editing 2020.

We continue to analyse the disincentive factors of knowledge transfer. The statements were made during their research by Gulyás (2007) and Husted – Michailova (2002) the summary of these factors was based on these (Table 3). The average figures show the results and evaluations of the 6-degree Likert scale (1 – very disincentive); 6 – not disincentive at all).

The average figures shown in Table 3 are found in the middle of the 6-grade scale. The lowest average figure was received by "The lack of appreciation and motivation of knowledge sharing, which means that for the people who filled in the questionnaire, this factor is the most disincentive one. The highest average figure is represented by "The lack of technology supporting knowledge management" which means that this is considered to be the least disincentive factor.

To analyse the hidden context between the disincentive factors, we revealed correlational connections which are shown in Table 4.

Table 3: The average and standard deviation values of disincentive factors (n=118)

Statements	Average	Standard Deviation
No time for knowledge sharing	3,53	1,217
Knowledge management supporting culture is missing	3,53	1,418
The lack of information on the advantages of knowledge management	3,55	1,400
The lack of appreciation and motivation of knowledge sharing	3,38	1,358
Colleagues are flooded with too much information	3,67	1,433
Colleagues do not share their knowledge because of power concerns	3,63	1,579
The lack of management support	3,71	1,486
The lack of mutual trust	3,73	1,442
The lack of financial resources supporting knowledge management	3,73	1,545
The lack of technology supporting knowledge management	3,79	1,637

Source: Based on own data collection, own editing 2020.

Table 4: Correlational connections between the disincentive factors

1 <sup>st</sup> statement	2 <sup>nd</sup> statement	Correlation al modulus*
Knowledge management supporting culture is missing	The lack of information on the advantages of knowledge management	0,724
The lack of financial resources supporting knowledge management	The lack of technology supporting knowledge management	0,705
The lack of management support	The lack of mutual trust	0,660
Knowledge management supporting culture is missing	The lack of appreciation and motivation in knowledge management	0,607
Colleagues do not share their knowledge because of power concerns	The lack of management support	0,568
The lack of information on the advantages of knowledge management	The lack of appreciation and motivation in knowledge management	0,520

\*p<0,05

Source: Based on own data collection, own editing 2020.

All connections showed correlation at a p<0,05 significance level, which we are going to analyse in the order seen in the table. The 0.724-strong correlational modulus shows a marked connection between the statements "Knowledge management supporting culture is missing" and "The lack of information on the advantages of

knowledge management. Based on this correlation, those who see difficulties in the culture also realised a lack of information on the advantages of knowledge management. The 0.705 rate also shows a high correlation and a marked connection between "The lack of financial resources supporting knowledge management" and "The lack of technology supporting knowledge management" so based on the people's answers the problem of missing financial resources and the technology supporting knowledge transfer. Since the company which cannot afford to invest part of its budget in technology, then it will have trouble creating a modern IT database for the storing and sharing of knowledge.

The "Lack of management support" and the "Lack of mutual trust" shows a 0.660 rate which is a medium correlation, a significant connection between the two statements. Management appreciation needed for knowledge sharing and building up a supportive atmosphere help to form and maintain trust between the colleagues and the organisational hierarchy levels. Based on Brix (2017) and Baksa - Báder (2020) organisational knowledge affects the individuals and the ones working in groups in the process of creating knowledge. Inkinen (2016) confirms the research results that knowledge sharing needs a modern perspective from the management's part, which builds on the intellectual abilities of the workers and the appreciation of their knowledge. In Gergely - Pierog's study (2018) diligence, aptitude and the colleagues' support also appear as a determining factor besides knowledge necessary for the promotion within the organisation. The modern leader pays more attention to the creation of a knowledge-friendly organisational culture which is built on trust, foreshadowing the formation of knowledge base according to organisational targets. This is further strengthened by the 0.607 medium correlation between the statements "Knowledge management supporting culture is missing", and the "Lack of appreciation and motivation of knowledge sharing" as well as the 0.568 rate medium correlation between "Colleagues do not share their knowledge because of power concerns" and the "Lack of management support". Labafi (2017) revealed several factors in his research in connection to the problems of knowledge sharing in particular about knowledge hiding. However, he notes that the deliberate hiding of knowledge from others is not always harmful and does not have a negative effect. The 0.520 rate between the "Lack of information on knowledge management" and the "Lack of appreciation and motivation in knowledge sharing" shows a medium correlation just like the previous ones and shows a significant connection which is supported in the literature by Mousavizadeh's et al. (2015) study which examined the definition of knowledge management organisational rate through the disincentive and supportive factors of knowledge transfer, the process of knowledge transfer, management support and organisational culture. The results examined in different sectors showed a connection between management support, organisational culture and the organisational value of knowledge. In the case of other factors, the supportive attitude towards knowledge management by the top management of the company is also considered crucial.

Yesil et al. (2013) examined the innovative ability of those companies which apply knowledge management. Knowledge transfer and sharing in the organisation has

become one of the main competitive advantages which help the creation of innovative ideas and activities greatly.

The analysis of the answers given to the mentioned research question (Does the lack of management support appear in connection to all organisational sizes in the examined sample?) is displayed in Table 5.

**Table 5:** The connection between the lack of management support and organisational size

Disincentive factors	The averages and standard deviations of different organisational sizes					
"The lack of	Average	Std. Dev.	Average	Std. Dev.	Average	Std. Dev.
management support."	Small		Medium		Big	
	3,95	1,654	3,69	1,391	3,51	1,397

Source: Based on own data collection, own editing 2020.

By the received rate we can say that if we compare it with other factors though not in the most prominent extent that at the small (1-50 employees), medium (51-250) and big (over 250) companies this disincentive appeared on the same level (Table 5). The initiative of the development of a knowledge management system depends on the company management if the plan and the targets are there with the right distribution of resources the operation can start. We can hardly find a correctly operating system. However, many factors are discussed in the literature and the research conducted in different sectors, scopes of activities with the help of which the company can get one step closer to form a well-operating system.

## 5. Summary

By examining the processes of knowledge transfer, the literature specifies several well-separated steps. The process does not stop at the creation of organisational knowledge and the solution of storing it since the most significant emphasis is on establishing the sharing, availability of knowledge. The stocked knowledge in the organisation, the experiences and the information increase the value of the company because of the labour market advantages associated with human capital. The wellestablished knowledge management system can be affected by many factors, the examination of which is needed to be done from time to time within the organisation. The incentive factors of knowledge transfer include the following: the lack of management support, the lack of establishing the right culture, technological and financial resources, the information withheld because of power concerns and the lack of mutual trust. During the research, we experienced secure and significant correlational connections between the factors which confirm the connection between the factors and their effects on each other. None of the disincentive factors showed an outstanding result among the employees of those organisations examined (n=118). However, most of them were situated in the middle of the 6-grade scale based on the average figures so we can say that at all companies which entered the sample a temporary revision of the system is needed. Further research directions

are possible, for example, if we outline the advantages of knowledge transfer and its method from the management towards the employees as well as the differences between the formally and informally operating systems. Regular feedback on the efficiency of knowledge sharing process is useful both for the members of the organisation and the management since the most direct way to reveal errors in the personal consultation based on which the areas of the process to be developed could be mapped and solved sooner.

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