Deriving High Performance Knowledge Sharing Culture (HPKSC): A Firm Performance & Innovation Capabilities Perspective.

Research-in-Progess

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Abstract

This paper intends to highlight the significance of ‘High Performance Work Practices (HPWPs)’ on employee performance and knowledge capabilities from the perspective of knowledge-sharing environment and shared work practices. By taking into account the underlying challenges governing the creation of ‘High Performance Knowledge Sharing Culture (HPKSC)’, this paper argues how specific set of Organizational factors (HPWPs) and Knowledge-Sharing factors can be applied and practiced in conjunction to result in HPKSC i.e. a flourishing Knowledge-sharing culture focused on delivering superior firm performance. Accordingly, a conceptual framework is developed using above set of factors that serves as a basis for deriving HPKSC, aimed at achieving firm performance and innovation capabilities.

Keywords: Knowledge sharing, work practices, firm performance, innovation capabilities

Introduction

Last decade has witnessed significant research and experimentation on creative work practices, such as ‘High Performance Work Practices (HPWPs)’ that mainly focused on improved teamwork, collaborative communications, flexible work environment, self-directed work teams etc. (Evans and Davis 2005). The key premise of research on these was to create a work environment that supports knowledge-sharing culture, leading to superior firm performance. Owing to the dynamic changes and ever-increasing competitiveness in today’s environment, the challenges for continuously enhancing team performance have necessitated adoption of HPWPs as the basis for achieving market competitiveness. Research literature gives ample evidence for HPWPs as critical towards organizational development and increasing efficiency through a partnership arrangement between employer and employees (Zhang and Morris 2014; Tomer 2001).

However, to achieve such a working relationship, it is important to exploit a unique set of HPWPs such as empowered teams, performance based rewards, collaborative communications, training and development etc. that serve as the key constituents of strategic HRM practices and support creation of a knowledge-sharing culture (Appelbaum et al. 2000). At present, there is considerable literature evidence claiming that HPWPs positively contribute towards creating & sustaining organizational
knowledge sharing culture through empowered work teams and collaborative practices coupled with shared leadership vision, resulting in innovative firm performance (O'Dell and Hubert 2011).

Accordingly, this research paper is aimed at identifying a set of organizational factors (HPWP\(\text{s}\)) and knowledge sharing factors and how they could be purposefully and systematically applied to achieve firm performance and innovation capabilities through the mediating role of High Performance Knowledge Sharing Culture (HPKSC). As a whole, this research would through light on organizational work practices, intellectual resources and knowledge-sharing enablers in a manner to create value in the form of improved firm performance and innovation capabilities.

**Theoretical Background & Hypotheses**

**High Performance Work Practices (HPWP\(\text{s}\))**

From the viewpoint of scholarly literature, HPWP\(\text{s}\) have not been consistently defined or even uniformly named. They have been interchangeably called with varying names e.g. High Performance Work System, High Involvement Work Culture, Strategic HRM Practices etc (Delaney and Goddard 2001). Also, there is no universal consensus as to which HPWP\(\text{s}\) bundle facilitates high performance in the organizations. Despite such variances, a lot of these share a common set of practices that mainly include rewards \& recognitions, employee training \& upskilling, job rotation \& enlargement, rigorous recruitment \& staffing procedures etc aimed at nurturing employee knowledge and capabilities for meeting organizational needs (Evans and Davis 2005). Some of the commonly-cited HPWP\(\text{s}\) include employee empowerment, performance-based reward, career progression, job security, knowledge sharing, flat organizational structure etc. (Guthrie 2001).

Generally, each element of HPWP\(\text{s}\) is identified typically in a firm’s context and is then applied in a manner to maximize firm performance by leveraging its human capital (Evans and Davis 2005).

HPWP\(\text{s}\) have frequently been attributed as being rewarding for both the managers and staff members. This, however, necessitates significant investment in organizational human capital aimed at enhancing employee knowledge, flexibility and initiative, together with an expectation that the firm is providing employees growth prospects, ability to learn \& engage and a motivation to participate in workplace decisions (Delaney and Goddard 2001). Owing to the heavy investment vested in building this human capital, the end outcome derived by the HPWP\(\text{s}\) would be meaningless if it’s not transformed into better firm performance \& innovation capabilities (Evans and Davis 2005). Besides, various other studies that take into account cost-benefit analysis of HPWP\(\text{s}\) also conclude that there exists a powerful nexus between HPWP\(\text{s}\) and corresponding firm performance (Wright et al. 2001).

**Knowledge Sharing**

It refers to a critical team process characterized by the exchange of ideas, information and knowledge by the individuals with an aim to create new knowledge and resolve issues at hand (Bartol and Srivastava 2002; Jarvenpaa and Staples 2000). Knowledge sharing is being eyed today as inherently necessary for organizational success and long-term sustainability. Research indicates that knowledge-sharing behavior positively impacts the firm productivity \& profitability and negatively impacts the labor cost (Jarvenpaa and Staples 2000). Knowledge-sharing occurs through discussions, meetings, conversations, collaborations etc. Knowledge-sharing is a corporate resource that goes far beyond superficial individual behaviors. It captures heart \& mind of the individuals and defines the way they think, mutually engage and get things done (Tan et al. 2009). Knowledge creation \& sharing are intangible actions that could neither be supervised nor enforced on the employees as they occur only when people cooperate (O'Dell and Hubert 2011).

An organization culture serves as a driving force for whatever is required to be accomplished irrespective of the strategies and priorities of its executives. Executives develop knowledge sharing strategies in line with organizational culture and value system, trying to ascertain as to why people become reluctant in sharing their knowledge and then accordingly realign their priorities to overcome reluctance, build trust, thus motivating people towards a knowledge-sharing behavior (Garfield 2017).
Knowledge-sharing is positively linked to effective firm performance, increased customer satisfaction and cost savings, leading to a work culture that creates collective value for the firm (O'Dell and Hubert 2011). To inculcate knowledge-sharing thinking, a vision on how things work in an organization should be created and subsequently communicated by the executives so as to guide the process of learning, sharing and collaborating, aimed at achieving desired ends (Garfield 2017).

**What Constitutes High Performance Knowledge Sharing Culture (HPKSC)**

This research paper attempts to propose a new organizational concept to be called ‘High Performance Knowledge Sharing Culture (HPKSC)’ through extensive review of literature and drawing upon two relevant organizational dimensions i.e. ‘High Performance Work Practices’ and ‘Knowledge Sharing’. A conceptual model is subsequently proposed through the careful identification of elements/constructs within above dimensions from the research literature, having a potential to support the creation of HPKSC. This identification of individual constructs is in line with the proposed definition and theoretical understanding of what constitutes a HPKSC. Before introducing the concept of HPKSC, it would be pertinent to first briefly discuss the notion of ‘Knowledge Sharing Culture’.

**Knowledge Sharing Culture**

In an organizational context, knowledge-sharing has achieved a unique level of competencies at sharing, employing and managing knowledge having a positive impact on its ability to achieve desired objectives (O'Dell and Hubert 2011; Connelly and Kelloway 2003). This argument revitalizes the concept of knowledge-sharing culture as a collaborative work culture where employees openly collaborate, exchange ideas and learn from each other to achieve a common purpose (Jarvenpaa and Staples 2000; Robb 2003). However, achieving such a collaborative culture is easier said than done as people regard knowledge as their intellectual asset and often show reluctance in sharing their knowledge. Moreover, when it comes to using technology as a knowledge enabler, it also can’t create on its own a knowledge-sharing culture. It, however, can ease knowledge exchange and collaborative efforts. Therefore, a systematic and deliberate initiative would be required to motivate employees for knowledge sharing if the firms ought to gain an edge over their competitors (Riege 2005; Robb 2003).

**Knowledge Sharing Culture to High Performance Knowledge Sharing Culture – A Transformation**

Thinking beyond the concept of knowledge-sharing that emphasizes on just creating, sharing & applying knowledge and even employing a knowledge-sharing culture, the emphasis is now on capturing and measuring the impact of instilling a knowledge-sharing culture (Thompson et al. 2011; Robb 2003). This calls for an underpinning need to infuse the elements of empowerment, recognition and motivation that boost employee engagement and warrant high performance at workplace. This gives rise to the notion of ‘High Performance Knowledge Sharing Culture (HPKSC)’.

**High Performance Knowledge Sharing Culture (HPKSC)**

Accordingly, the proposed notion of HPKSC can be thought of/theorized as a ‘knowledge-enabled collaborative work culture derived by a skilled, self-directed and engaged workforce that shares collective vision and exerts discretionary efforts to create a highly productive knowledge exchange system, backed by strong sense of empathy, mutual trust and shared leadership, resulting in a superior firm performance (Authors 2018)’.

However creating and maintaining a HPKSC necessitates greater employee commitment, involvement and dedication to stimulate an environment that fosters creativity, enhances staff competencies & efficient performance, conditioned by the exchange of ideas and shared vision, leading to the enriched learning. Envisioning HPKSC can be greatly aided by practicing and rewarding the philosophy of caring, sharing and daring i.e. caring for people, sharing their mind and daring to think innovatively (Garfield 2017; Smith and McKeen 2011). However, these positive elements insist on mutual respect, trust, integrity, transparency and sense of accountability in all aspects of employee engagement, coupled with an ability to genuinely admire and support each other, encourage fair criticism, acknowledge contribution and appreciate diverse thinking (Donatone 2016; Smith and McKeen 2011).
2011). As a whole, achieving HPKSC would require exercising organizational citizenship behavior coupled with social responsibility, openness, active cooperation and heavy reliance on knowledge enablement and resourcefulness. Besides, the values like empathy, respect, integrity and diversity would also be at the heart of building and maintaining a HPKSC.

**Deriving HPKSC Through HPWPs & Knowledge Sharing**

When employees are empowered and motivated, their engagement to the work increases such that they develop a sustained emotional and intellectual attachment to work (Colan 2009). A number of studies show that firms that demonstrate knowledge-enabled work culture introduced as a part of their HPWPs initiatives, experience little redundancies, retain talented employees and better utilize human capital, thereby resulting in higher firm performance (Guthrie 2001; Becker and Huselid 1998). However, achieving this transformation requires a change and compelling vision guided by organizational strategy and the value articulating the change. This is particularly critical when envisioning a work culture that fosters knowledge sharing efforts.

High-performance culture can be driven by selecting, attracting, training and retaining a capable workforce as these initiatives enhance knowledge, confidence and capabilities and shape their behavior at the workplace (Donatone 2016). Firms investing in their knowledge capital in fact invest in their future sustainability. Hence, what is arguably important – is not just to identify and develop the best workforce but also retain them through rewards & recognition and by promoting a feeling that their contribution is being acknowledged and adding value to the success of the firm. The appropriate combination of these key drivers not only keeps the workforce engaged but would also be helpful in cultivating a work culture focusing on high performance (Donatone 2016; Guthrie 2001).

**HPKSC for Firm Performance & Innovation Capabilities**

Creating shared values serves as a stimulus towards deriving HPKSC as value creation is not merely about improving products and profits, they have more to do with achieving sustainable advantage to meet strategic goals of the firm. Therefore, organizations guided by shared values and commitment reap many other rewards such as increased customer satisfaction, relationship network, brand loyalty, motivated staff and improved knowledge-sharing abilities, leading to better firm performance (Colan 2009; Donatone 2016). Hence, the ability to create and deliver incremental value would serve as a powerful stimulus towards imparting a HPKSC (Smith and McKeen 2011).

The proposed HPKSC would foster firm performance and innovation by increasing employee knowledge & skills and sustaining high performance as a result of leveraging from this human capital that takes the form of idiosyncratic skills for the firm, enhancing employee involvement and problem-solving abilities (Evans and Davis 2005; Tomer 2001). Not to mention, this acquisition, integration and utilization of knowledge capital would develop employee core capabilities, reduce barriers to share & learn, thereby creating a synergetic environment that contributes to firm success and performance outcomes (Bhatti and Zaheer 2014; Smith and McKeen 2011). Such a productive interaction among the employees would support the transformation from routine work culture to high-performance knowledge sharing culture that strategically derives flexibility and effectiveness to pursue end objectives of firm performance and innovation capabilities (Procter 2010).

**Research Conceptual Model and Hypotheses Development**

**Research Model**

Previous research confirms the positive effects of HPWPs on knowledge sharing and firm performance. However, this model framework goes one step further in a manner that it tries to investigate the collective impact of fusion between specific Organizational factors (HPWP bundle) and Knowledge-Sharing factors. This fusion serves the purpose of incorporating high performance attributes in knowledge sharing dimensions for deriving a sustained HPKSC that subsequently creates value for the firm in the form of performance & innovation capabilities.
Hypothesis Development

The most relevant constructs from organizational dimensions supporting the creation of proposed HPKSC include Self-directed Work Teams, Performance Based Reward, Open & Collaborative Communication and Shared Leadership. Besides, the most relevant constructs from Knowledge-Sharing dimensions are Interpersonal Trust, Knowledge Self-efficacy and Enjoyment in Sharing Knowledge. These are briefly described in the HPKSC context below:

- **Self-directed Work Teams**
  
  The concept refers to self-managed and empowered teams that are encouraged to take independent actions and engage in knowledge sharing and collaborative behavior (Pearce and Sims 2002). Members of self-directed work teams recognize and truly reap the value of shared empowerment and leadership that builds in them a confidence to identify line of action needed to achieve high performance goals (Taylor 2013). Consequently, we hypothesize that:
  
  \[ H_{1a}: \text{Self-directed Work Teams directly and positively support the creation of HPKSC.} \]

- **Performance Based Reward**
  
  Creating a right work environment that rewards knowledge sharing efforts lays the foundation for building high-performance teams. Employees put optimal efforts towards developing a knowledge culture if rewards are linked to their knowledge-sharing efforts (Davenport and Prusak 2000). A firm must ensure that its reward system is meaningfully aligned with business strategy and structured in a manner to create value in the form of sustained knowledge-sharing culture. Any misalignment could undermine the firm’s ability to accomplish its goals (Donatone 2016). Accordingly, we hypothesize:
  
  \[ H_{1b}: \text{Performance Based Reward directly and positively supports the creation of HPKSC.} \]

- **Open & Collaborative Communication**
  
  A key ingredient for sustained knowledge-sharing is how open & direct organizational communication is, as its absence can hamper integration of employee knowledge and skills (Thompson et al. 2011; Tan et al. 2009). Open & collaborative communication, backed by mutual cooperation & cohesion, enable employee interaction through idea-sharing and constructive feedback. Hence, to spark HPKSC, a firm must meet communication needs of its employees (Thompson et al. 2011). So we hypothesize:
  
  \[ H_{1c}: \text{Open & Collaborative Communication directly and positively supports the creation of HPKSC.} \]

- **Shared Leadership**
  
  Shared leadership serves as a significant enabler towards cultivating a knowledge-sharing culture owing to its ability to influence organizational culture (Procter 2010). Shared leadership is a vibrant...
and socially-networked leadership aspect taking place between the teams above-and-beyond formally employed leadership practices. The idea of shared leadership emerges when vertical leadership is enhanced between the teams so as to reap the benefits of resolving issues, sharing insights on the challenges encountered by the teams (Taylor 2013; Pearce and Sims 2002). Hence, we hypothesize: 

\[ H_{1d}: \text{Shared Leadership directly and positively supports the creation of HPKSC.} \]

- **Interpersonal Trust**

One of the most arguably key success factors, when it comes to infusing a knowledge-sharing culture, is the interpersonal trust (Tan et al. 2009; Riege 2005). Apparently, the lack-of-trust syndrome could occur either as a consequence of the knowledge misuse or taking undue credit by the trustee or else due to reliability and credibility of the knowledge shared by the trustor (Tan et al. 2009). Therefore, to sustain a knowledge culture that creates value, creating a trusting culture is a prerequisite to enable employees to willingly share what they know (Davenport and Prusak 2000). So we hypothesize: 

\[ H_{2a}: \text{Interpersonal Trust directly and positively supports the creation of HPKSC.} \]

- **Enjoyment in Sharing Knowledge**

Research suggests that members of an organization are inherently-motivated in sharing their knowledge owing to the pleasure derived from helping and caring for other people (Lin 2007; Wasko and Faraj 2005). This ability of the employees inspires and positively motivates them to speak their minds and share knowledge by virtue of their relative altruism (discretionary behavior) and natural desire (Lin 2007; Davenport and Prusak 2000). Hence, we may hypothesize: 

\[ H_{2b}: \text{Enjoyment in Sharing Knowledge directly and positively supports the creation of HPKSC.} \]

- **Knowledge Self-efficacy**

It indicates self-perception of an individual that stimulates confidence for sharing knowledge critical to an organization. In fact, this sense of self-efficacy induces a desire to perform routine tasks successfully based on the individual’s judgment of their abilities (Lin 2007). It is, however, affected by an individual’s propensity to take actions such as persistence, expressed interest, difficulty level and efforts required (Bandura 1997). Knowledge self-efficacy contributes to organizational performance by promoting knowledge-sharing behavior (Ma et al. 2008; Lin 2007). Hence, we may hypothesize: 

\[ H_{2c}: \text{Knowledge Self-efficacy directly and positively supports the creation of HPKSC.} \]

- **Firm Performance & Innovation Capabilities**

The significance and impacts of knowledge-sharing culture on firm overall performance & effectiveness have long been acknowledged in the research literature. A knowledge-based learning culture supports the creation of collaborative work culture that serves as a catalyst for long-term core competencies of the firm (Zhang and Morris 2014; Becker and Huselid 1998). Firms having strong orientation on knowledge-sharing and learning culture generate essential skills and resources that help them anticipate customer needs, technological developments and competitor actions to accordingly realign their organizational systems and processes, leading to sustained value-creation and firm capabilities (Bhatti and Zaheer 2014; Cappelli and Neumark 1999). Therefore: 

\[ H_{3}: \text{HPKSC has direct and positive impacts on Firm Performance & Innovation Capabilities.} \]

**Discussion and Conclusion**

This paper explores specific Knowledge Sharing and HPWPs dimensions that facilitate the creation, promotion and sustenance of HPKSC in firms through the employment of self-managed knowledge-exchange teams motivated to deliver superior performance and innovation goals in line with firm’s strategy. Accordingly, a conceptual framework is proposed after extensive review and reflecting on the research literature that guides the creation of HPKSC through rewarded teams, collaborative communications, exchange of ideas coupled with trust, empowerment and shared leadership in a manner that they contribute to knowledge effectiveness and strategic focus, enhancing firm performance and its ability to innovate. Hence, a collaborative work culture where employees are rewarded and encouraged to freely share ideas, think creatively and work on the achievement of common purpose can be said to constitute a HPKSC. However, creating and maintaining HPKSC is
easier said than done. This research, therefore, has attempted to craft knowledge-sharing strategies by means of critical organizational enablers and their integrated implementation would be instrumental in obtaining desired actions and behaviors inherent within a knowledge-sharing culture, enabling creation of unique value such as increased firm competitiveness. Once HPKSC becomes a true organizational competency, it could be embedded into other aspects of firm work culture.

To conclude, firms envisaging knowledge-sharing culture centered on high-performance must stimulate self-directed work behavior among the employees, create shared opportunities, recognize ideas and encourage collective achievements in order to take on success in their quest for innovation.

**Future Implications**

This in-progress research attempts to propose a research model that guides the creation of HPKSC through the application of an appropriate set of enablers within knowledge-sharing and organizational dimensions. It would statistically assess the impact of these dimensions on firm performance & innovation capabilities through a mediating role of HPKSC. Given its strengths and weaknesses, the framework however requires some debate relating to its application and the value it intends to create.

**Research Methods**

Both quantitative & qualitative methods of research will be applied to test the hypotheses and prove the underlying central theme of the proposed research model. Stage one of the study would employ quantitative method wherein data would be collected from the employees of various Pakistani firms through closed-ended surveys. Surveys provide quantitative trends, opinions and attitudes of people from a sample of any given population (Creswell 2003). Stage two would follow qualitative research method with an aim to validate/endorse quantitative findings. For this purpose, qualitative data would be gathered through semi-structured interviews with the senior managers/executives of those firms.

**Data Analysis Approaches**

Before initiating data collection process, ethics approval would be sought from the relevant ethics committee. For quantitative data analysis, a covariance based Structural-Equation-Modeling (SEM) would be used in SPSS (David et al. 2000; Creswell 2003). For qualitative data, ‘Thematic Analysis’ would be used to analyze interview transcripts with an aim to corroborate the quantitative results. Use of mixed methods would serve multiple purposes such as building coherence & consistency, assessing the central sufficiency and measuring the reliability & validity of both data types. (David et al. 2000).

**References**


