DETERMINANTS OF KNOWLEDGE SHARING BEHAVIOR IN THE TIMBER INDUSTRY OF SIBU, SARAWAK

Hii Yu Hieng

Corporate Master in Business Administration
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DETERMINANTS OF KNOWLEDGE SHARING BEHAVIOR IN THE TIMBER INDUSTRY OF SIBU, SARAWAK

HII YU HIENG

A dissertation submitted in partial fulfillment of the requirements for the degree of Corporate Master in Business Administration

Faculty of Economics and Business
UNIVERSITI MALAYSIA SARAWAK
2012
I certified that I have supervised and read this study and in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate in scope and quality as a research paper for the degree of Corporate Master in Business Administration.

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This research paper was submitted to the Faculty of Economics and Business, UNIMAS and is accepted as partial fulfilment of the requirements for the degree of Corporate Master in Business Administration.

Professor Dr. Shazali bin Abu Mansor
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DECLARATON AND COPYRIGHT

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I hereby declare that this research is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by footnotes giving explicit references and a bibliography is appended.

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The work described in this Research Paper, entitled

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TIMBER INDUSTRY OF SIBU, SARAWAK"

is to the best of the author's knowledge that of the author except
where due reference is made.

27 July 2012

Date

Hii Yu Hieng
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ABSTRACT

DETERMINANTS OF KNOWLEDGE SHARING BEHAVIOR IN THE TIMBER INDUSTRY OF SIBU, SARAWAK

By

HII YU HIENG

Timber industry has become one of the key contributors to the growth of Sarawak's gross domestic products and socio-economic development. It is believed that its long-term competitiveness in the global markets and sustainable development can be achieved through extensive and effective knowledge sharing among the organization employees. Thus, a research model based on Ajzen's (1991) theory of planned behavior (TPB) was developed in this study to examine the direct impact of potential influential determinants on the knowledge sharing behavior of middle-level management employees in the timber organizations of Sibu, Sarawak. The research findings revealed that individual's behavioral beliefs such as anticipated reciprocal relationships, demographic elements and expected extrinsic rewards have the significant positive influence on their knowledge sharing attitude, whereas the negative association between individualism and knowledge sharing attitude was not significant. The positive association between employee's perceived self-efficacy and knowledge sharing attitude was found inconclusive. Finally, the positive direct effect of employee's knowledge sharing attitude on knowledge sharing intention, as well as the positive direct effect of knowledge sharing intention on knowledge sharing behavior was proven statistically significant and consistent with TPB.
On the whole, this research was one of the scarce studies that based on commonly accepted social-psychology theory to explore the employee’s knowledge sharing behavior in the organizational context and is believed to provide a significant and essential perspective on the knowledge sharing behavioral particularly in the timber industry of Sibu, Sarawak.
Industri perkayuan telah menjadi penyumbang utama kepada pertumbuhan keluaran dalam negara kasar dan pembangunan social-ekonomi Sarawak. Adalah dipercayai bahawa daya persaingan industri perkayuan di dalam pasaran global serta perkembangan dan pembangunan mampu yang berterusan dalam jangka masa panjang dapat dicapai melalui perkongsian pengetahuan yang meluas dan berkesan di kalangan kakitangan dalam organisasi. Oleh demikian, satu model penyelidikan berdasarkan teori kelakuan yang dirancang (theory of planned behavior) yang dipelopori oleh Ajzen (1991) telah dijadikan sebagai asas penyelidikan dalam kajian ini untuk menguji kesan langsung daripada faktor-faktor yang berpotensi mempengaruhi tingkah laku perkongsian pengetahuan di kalangan kakitangan pada peringkat pengurusan pertengahan dalam organisasi perkayuan di Sibu, Sarawak. Hasil kajian menunjukkan kepercayaan-kepercayaan kelakuan peribadi seperti hubungan salingan dijangka, elemen demografi serta jangkaan ganjaran ekstrinsik akan memberi pengaruh positif yang signifikan ke atas sikap perkongsian pengetahuan mereka, manakala hubungan negatif di antara individualisme dan sikap perkongsian pengetahuan adalah tidak muktamad.
Hubungan positif di antara persepsi keberkesanan diri kakitangan dengan sikap perkongsian pengetahuan mereka didapati tidak menyakinkan. Akhirnya, kesan langsung positif daripada sikap perkongsian pengetahuan pekerja ke atas niat perkongsian pengetahuan serta kesan langsung positif daripada niat perkongsian pengetahuan ke atas kelakuan perkongsian pengetahuan terbukti signifikan secara statistik dan konsisten dengan teori kelakuan yang dirancang.

Secara keseluruhannya, kajian ini adalah salah satu kajian jarang yang berdasarkan teori sosial-psikologi yang diterima umum untuk menerokai kelakuan perkongsian pengetahuan kakitangan dalam konteks organisasi. Adalah dipercayai bahawa kajian ini telah memberikan suatu perspektif yang signifikan dan penting terhadap kelakuan perkongsian pengetahuan khususnya dalam industri perkayuan di Sibu, Sarawak.
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CHAPTER 1
INTRODUCTION

1.0 Introduction

Chapter 1 gives the overview of this research. It described the background of study which explained the importance and contribution of timber manufacturing industry in Sarawak. The problem statements section explained why the knowledge sharing is important to timber industry which leads to the intention of this research. The theme of this research, that is, the general and specific objectives of the study, research questions, conceptual framework and hypotheses of the research are stated under subsequent sections. Finally, this chapter discussed about the significance, scope and the limitation of the research.

1.1 Background of Study

Besides being among the world's top tropical timber exporters, Malaysia is also the main producer of timber products such as sawn timber and panel products (particleboard, medium density fibre board, plywood, doors, flooring and other joinery products). The timber industry has become one of the major export earners and revenue contributors to the nation's economy. In 2008, timber industry not only has contributed 3.3% or estimated RM22.5 billion of total export values (RM674 billion), but also has provided job opportunities to about 300,000 peoples (Malaysian Timber Industry Board, 2009).

In Sarawak, timber and its associated products remain as the third biggest export revenue contributor. During 2005–2009, timber industry has recorded contribution of
35% (RM7.68 billion) to the Malaysia’s overall yearly export earnings which valued at RM21.94 billion (Yap, 2011). Undeniable, it has becomes the dominant or key contributor to the growth of Sarawak’s gross domestic products (GDP) and socio-economic development. Organizations in timber industry have played their important roles in facilitating the Sarawak’s growth and development by reinvesting in the reforestation and oil palm plantations, which later will bring immense contribution to the Sarawak’s economy, social facilities, infrastructure, public amenities and properties.

Despite the contribution from the timber industry, this industry is facing several major challenges in the future decade, among them are uncertainties in international trade due to fluctuation in international financial and economic environment (Malaysian Timber Industry Board, 2009), adoption of new and advanced technologies, persistent supply of raw materials like round logs and skilled manpower, increasing of legislation requirement and competition from emerging timber producing nations such as Vietnam and China (Malaysian Timber Industry Board, 2009).

In view of these facts, it is crucial for the timber industry to remain and enhance its competitiveness in the globalized market and long term sustainable development to retain its role as the key contributor to the state and nation’s economy. This can be achieved through diversification strategy, adoption of new technology, innovativeness, enhanced human capital development and continuous research and development (Malaysian Timber Industry Board, 2009).
Through effective knowledge sharing, products and services of manufacturing firms could enter the market earlier which increase firm’s capacity to increase their revenues (Davenport & Prusak, 2000). Furthermore, knowledge sharing not only bring contributions in building the competencies, improving the customer satisfaction and relationship by streamlining the unnecessary response times (Garcia-Murillo & Annabi, 2002), but streamlined operations and eliminating of redundant processes will also reduce the operation costs (Porter & Millar, 1985). Therefore, the manufacturing firms are actively and continuously seek for alternatives to retain their competitiveness in current expanding universal marketplaces (Zhang & Sharifi, 2000).

Flow of ideas from one to another could foster the innovation in an organization (Wasko & Faraj, 2000). In contrast, lack of knowledge becomes the main obstruction to innovation in a firm (Storey & Kelly, 2002). Similarly, Tsai (2001) emphasized that acquiring of new knowledge is essential element for developing of innovative ideas or new products. Sharing of knowledge will bring benefits and contributions to the organization, in terms of development of vision and strategies, services and products (Sanchez & Palacios, 2007). Voelpel, Eckhoff & Forster (2005) stressed that total knowledge that were acquired internally or externally would constitute organizational sustainable resource which allow them to maintain their competitive advantage. The organization’s overall performance and its competitiveness are very much depending on the organizational knowledge (Nilakanta, Miller & Zhu, 2006). Therefore, sharing of both types of knowledge is vital in timber manufacturing industry.
1.2 Definition of Terms

Section below gives the definition of terms used in this study:

- Anticipated reciprocal relationships – people’s perception towards possible improvements or formation in their relationships with other organizational members via knowledge sharing.

- Expected extrinsic value – Employees’ perception on receiving rewards from their organization for their knowledge sharing efforts (Kankanhalli, Tan & Wei, 2005).

- Behavior – one’s observable, apparent response in a given circumstance with regard to particular target or intention (Ajzen, 1991).

- Behavioral beliefs – belief in respect to the behavior’s likely impacts or consequences (Ajzen, 1991).

- Control beliefs – belief in respect to existence of factors which may impede or facilitate the performance of one’s behavior (Ajzen, 1991).

- Demographic elements – Including the demographic factors such as age, race, gender, education level, etc.

- Individualism – One’s tendency to put his/her personal goals ahead the organization’s goals (Ardichivili, Maurer, Li, Wentling & Stuedemann, 2006).

- Knowledge – Knowledge is a multidimensional, broad concept (Nonaka, 1994). It includes ideas; information, experience and expertise which relevant for particular task (Bartol & Srivastava, 2002).

- Knowledge collecting – Individual’s endeavour to persuade or convince others to share their intellectual capital (Van den Hooff & De Ridder, 2004).

- Knowledge donating – A communication process which based upon one’s desire to transfer their intellectual capital to others (Van den Hooff & De Ridder, 2004).
• Knowledge sharing – sharing of information, suggestions, ideas, experience and expertise with others (Bartol & Srivastava, 2002).

• Knowledge sharing attitude – The degree to which a person’s favorable feeling about sharing of his/her knowledge (Ajzen & Fishbein, 1980).

• Knowledge sharing intention – The degree of one’s readiness and willingness to share his/her knowledge with others (Andriessen, 2002).

• Middle-level management - The middle-level of management in an organization which usually consists of senior supervisory or executive staff who in-charged the day-to-day operations of an organization and reporting to senior or top management.

• Normative beliefs - belief about other’s normative expectations and behaviors (Ajzen, 1991).

• Perceived behavior control - One’s perception of the degree to which he/she has control over a particular desired behavior (Ajzen & Fishbein, 2005).

• Perceived self-efficacy – One’s self-judgment and beliefs towards his/her ability or capabilities to produce desired outcomes or effects (Bandura, 1994).

• Subjective norm - Perceived social pressure whether shall perform the behavior or not (Ajzen, 1991).

1.3 Problem Statements

Few past researches which have been conducted in the Malaysian context do not adequately focusing on the predictors of knowledge sharing intention and behavior among the organization’s employees, particularly for the timber industry in Sibu, Sarawak. For instance, a comparative research has been conducted by Cheah, Ooi, Teh, Chong and Yong (2009) focused on the knowledge sharing in services and
manufacturing organizations, but this research does not revealed the circumstances and knowledge sharing intentions among the employees in the organization. Suhaimee, Bakar and Alias (2006) researched on knowledge sharing culture in the Malaysian context, but their study was focused on the public institutions of Malaysian higher education. Fong, Ooi, Tan and Lee (2011) investigated the relationship between human resources management practises and knowledge sharing behavior in the context of Malaysian service and manufacturing organizations. Their results revealed the positive relationship between knowledge sharing behavior and several human resources management practises such as team work, performance appraisal, training and development, recruitment and selection. Nevertheless, discussion on determinants leading to employee’s knowledge sharing behavior did not discussed in depth.

1.4 Research Objectives

Objectives of this research could be categorized into two, i.e. general objectives and specific objectives.

1.4.1 General Objective

Generally, this research was aimed to examine the various key determinants which are potentially influence the middle-level management employee’s knowledge sharing behavior in the timber manufacturing industry of Sibu, Sarawak.

1.4.2 Specific Objectives

Particularly, this research was aimed:
(a) to examine the most dominant variables affecting the middle-level management employee’s knowledge sharing behavior.

(b) to examine the correlations between middle-level management employee’s knowledge sharing behavior and the influences of their behavioral beliefs such as anticipated reciprocal relationships, perceived self-efficacy, expected extrinsic rewards, demographic elements, and individualism.

1.5 Research Questions

In view of deficiencies mentioned in the Section 1.3, this research is conducted to examine the various decisive factors which are potentially influence the employees’ knowledge sharing intentions and behavior in the organizations, particularly for timber manufacturing industry in Sibu, Sarawak. The finding results are able to answer the following research questions:

(a) Will behavioral belief variables such as anticipated reciprocal relationships, perceived self-efficacy, expected extrinsic rewards, demographic elements and individualism influences the middle-level management employee’s knowledge sharing attitude in the timber industry?

(b) Among these behavioral belief variables, which variable is the most dominant affecting their knowledge sharing behavior?

1.6 Conceptual Framework

The conceptual framework of this research is developed based on theoretical framework of the theory of planned behavior (TPB) and previous literatures in the similar research area. The theory implies that one’s intention is the key predictor of behavior (Sheeran & Orbell, 1999). The behavioral intention is the function of three
elements or factors, which are knowledge sharing attitude, subjective norms and perceptions of behavioral control. The origin of these factors can be traced to behavioral, normative and control beliefs respectively, in respect to the favoured behavior (Ajzen & Gilbert Cote, 2008). Behavioral beliefs result in the unfavourable or favourable attitude toward knowledge sharing, while normative beliefs and control beliefs result in subjective norm and perceived behavioral control respectively. Combination of attitude towards knowledge, subjective norms and perceived behavioral control formed human behavioral intention which, associated with actual behavioral control, determined performance of a particular behavior (Ajzen, 2002). The TPB model is illustrated as in Figure 1.1.

Figure 1.1 : Theoretical Framework of Theory of Planned Behavior (TPB)

![Theoretical Framework of Theory of Planned Behavior (TPB)](image)

Source : Ajzen (2002).

As a common rule:

[ ...] the more favourable the attitude and subjective norm, and the greater the perceived behavioral control, the stronger should be an individual’s intention to perform the behavior under consideration (Ajzen, 1991).