CHAPTER 1

INTRODUCTION

1.1 Research Background

The shift today's economy from industrial economy to knowledge economy is making everybody become conscious more about the significant of gaining knowledge to gain competitive advantage. For the non-profit institution maintaining knowledgeable work environment are necessary especially to reach the institutional objective, thus, the development in knowledge economy has turned organization to adopt strategies and management system to manage knowledge within the organization.

Knowledge sharing behavior are necessary for the organization to maintain the knowledgeable work, Its important for the organization to create the sharing-knowledge culture among the people in organization to solve work-related problem. Hence, it is decisive that organizational knowledge is managed diligently. One important aspect of managing knowledge is to encourage individuals within the organization to share knowledge with other members of the organization (Davenport and Prusak, 2000). In general, knowledge sharing happen when people who share a common purpose and experience similar problems come together to exchange ideas and information (McNeil,2003). The process of knowledge sharing between individuals involve the conversion of the knowledge held by an individual into a form that can be understood, absorbed, and used by other individuals (Ipe, 2003). It is basically a mechanism by which knowledge is transferred from one individual to another.

The culture of knowledge sharing in an organization is greatly influence by the diversity in the workplace, spirituality, leadership skill, attitude of the staff, personal beliefs, individual's self-motivation, trust, communication skills, information systems, reward system and organization structure (Uchenna et. al., 2013., Ipe and Lin (2003,2008) also defined the another factors that highly influence the quality of knowledge sharing behavior among the organization members is their human resource dimanesion and willingness to share the information with their colleagues. The readiness to share the knowledge might depend on the degree of trusted activities among themselves (Wickramasinghe and Widyaratne, 2012; Casimir *et al.*,2012).

However due to the fact that people have tendency to trait their professional knowledge as their personal assets and competitive advantage (Lam and Lambermont-Ford, 2010), effective sharing of knowledge among individuals in organization may not take place (Fisher and Fisher,1998).One of the major challenge sharing knowledge within organizations is the demographic differences between employees (Abrams et al., 2003) and specially age differences. For instance, studies in US have shown that more than 50% of existing employees in firms belong to young generations; whereas, the rest of population belong to older ones (Girault and Sauv_e, 2008). Since employees tend to have more interaction with those who have more similarities (e.g. age, gender, experience and expertise) with themselves, establishment of a trusting relationship between employees from different backgrounds in order to share their knowledge and skills is a difficult task (Girault and Sauve, 2008).

There is a research conducted by Ho *et al*. (2012) reveal that trust have importance part in fostering an environment in which are people willing to share the information. Therefore trust as a psychological condition that another party is expected to perform a particular action (Rousseau et al., 1998; Mayer et al., 1995). Thus far, previous research has accepted that an individual decision relating to trust depends on the degree of perceived risk (Sitkin and Weingart, 1995; Sitkin and Pablo, 1992).

Spirituality in workplace may influence the practice on intellectual knowledge among the member of organization. The research conducted by Bennet and Bennet (2007) define spirituality as the rise of the mind in relation to intellectual matters of the individual's soul which reflects on his/her thought and action. Base on this perspective knowledge sharing cannot work without ensuring a favorable situation for the spiritual practices of the staff in their respective organization (Rupali et al., 2014; Bennet and Bennet, 2006). Thus, an organization must incorporate the employees' spiritual life in the workplace to create a knowledge sharing culture among the staff (Rego et al., 2008; Capra et al., 2007).

Despite the importance of knowledge sharing in building up an organizational knowledgeable workplace, which eventually improves the organization performance, there are reasons to believe that staffs are not willing to share their knowledge voluntarily. For example a study by Michailova and Husted (2003) revealed that there are five reasons why the staffs of an organization are reluctant to share knowledge. The reasons includes (i) the fear of decrease personal value, (ii) cost involved, (iii) uncertainty of how the receiver will use the

shared knowledge, (iv) accepting and respecting a strong hierarchical and formal power, and (v) actual negative consequences of sharing knowledge with subordinates. Although Michailova and Husted conduct the research in Russia, it is quite relevant in other parts of the world. This is because it seems that the reluctance to share knowledge is also occurring elsewhere such as in Australia (Irmer, Bordia & Abusah, 2002), China (Hutchings & Michailova, 2004), Taiwan (Wang, 2004) and the United States of America (Jones & Price, 2004). Based on these findings one could expect this phenomenon to prevail in southeast asia specifically Indonesia, given its cultural values concerning humility (Abdullah & Low, 2001). Still, Hofstede's (1983) study indicated that the Asian society is collectivistic in nature.

In such a society, knowledge sharing should happen naturally because it is the tendency of a collectivistic society to help each other. Abdullah and Low (2001), on the other hand, maintained that the Indonesian workplace is characterized with unique values and work culture. The Indonesians are often considered as very shy people and are very concern about saving 'face', or should we say afraid of 'losing face'. Most of us are afraid of making mistakes and receiving negative feedback, even though we are not sure that we will be getting one. Furthermore, the idea of giving and receiving praise also makes some of us feel ill at ease. Therefore, when it comes to sharing knowledge, some of us can be quite reserve in expressing our ideas and opinions, much less voluntarily offering our knowledge to other people. Besides, there are other countries which are also considered as having a collectivistic culture but having problems where

knowledge sharing is concerned, for example China (Hutchings & Michailova, 2004).

Even though researchers and practitioners have made considerable amount of investigation on knowledge sharing, however the role of trusts and work place spirituality on knowledge sharing behavior among the staff (Executive and Nonexecutive) of non-profit organization such as Coordination of Private Higher Education still need to be explored. Knowledge sharing culture is recognized as one of the most important resource, especially when the higher education sector in Indonesia continuously expands with numerous participants. As discovered, from the report by Ministries of Research, Technology, and Higher Education there are more than 200.000 student pursuing higher education in 243 private universities, under responsibilities Coordination of Private Higher Education X region which include 4 provinces: West Sumatera, Riau, Jambi and Riau Islands.

Coordination of Private Higher Education or abbreviated Kopertis is an Coordination established by the government through the Minister of Research, Technology and Higher Education to conduct guidance to private universities in its working area.

This research focused on the staffs of KOPERTIS X region, which are comprised with coordinator, assistant coordinator, and clerk from 5 departments. So far, the staff of this Coordination cannot be work alone, knowledge of individual's staff needs to share as the information is vital for the overall department operation and thereby for Coordinational performance. Base on that, researcher will analyze through discussion on title **"The Relationship of**

Workplace Spirituality and Trust Mediated by Perceived Risk toward Knowledge Sharing Behavior" (Study at KOPERTIS X).

1.2 Problem Statement

Base on the background, this research question formulated as follows:

1. How does the workplace spirituality influence knowledge sharing behavior among staff in Coordination of Private Higher Education (KOPERTIS).

2. How does the trust among the staff in Coordination of Private Higher Education (KOPERTIS) influence their knowledge sharing behavior.

3. How does the perceived risk mediate the relationship of trust and knowledge sharing behavior among non-academic staff in Coordination of Private Higher Education (KOPERTIS).

1.3 Objective

Based on the problem statement above, the goal of this study is to obtain data and information that is appropriate for analyzing the data. Specially, the objective of the research are:

1. To analyze the relationship of workplace spirituality toward knowledge sharing behavior on Coordination of Private Higher Education (KOPERTIS).

2. To analyze the relationship of trust toward knowledge sharing behavior among the staff of Coordination Private Higher Education (KOPERTIS).

3. To analyze the relationship of perceived risk as mediator the relationship of trust and knowledge sharing behavior among the staff of Coordination Private Higher Education (KOPERTIS)

1.4 Significant of Study

This research is expected to give contribution and benefit:

1. Researcher/ Student

   This research could be reference for next time researcher and could be information on the advanced knowledge in the future. This research is also used by researcher to accomplish thesis for final assignment of graduation.

2. Organization

   In this case, the result of this research would give a vivid idea of how the knowledge sharing behavior contribute to organization practices, and give the information related to the factors influence the knowledge sharing behavior.

1.5 Scope of Research

Upon doing this research, there are some limitation that should be taken into a notice in term of variables and object of the research. The researcher limits the research context by focusing on the staff of Kopertis or Coordination of Private Higher education.

1.6 Organization of study

To help to analyze the problem state above, it is very important to organize and divide this research study into 5 chapters as follow:

- **Chapter 1- Introduction**

  This chapter analyzes the background problems, the statement of problem, the aim of this research, the significant of the research, the research framework, and the organization of study.

- **Chapter 2- Literature Review**

  This chapter contains the literature, theory, last research related with this research. This chapter also contains the literature that evaluate the variables of this research, which are workplace spirituality, trust, perceived risk, and knowledge sharing behavior it self. This chapter also contains the theoretical framework of this research.

- **Chapter 3- Research Methodology.**

  This chapter contains the explanation about research method which are research design, population, and source of sample, type of data and variable measurement, research variables, operational definition, data analysis, test of instrumental, structural model test, and hypothesis testing.

- **Chapter 4- Analysis and Discussion**

  This chapter contains the explanation about result and consists of characteristic of respondent, descriptive analysis, structural measurement of the influence of workplace spirituality, trust and perceived risk toward knowledge sharing behavior.

- **Chapter 5- Conclusion and Suggestion**

   This chapter explains about conclusion of research, implication, limitation and recommendation further research.